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HEARING ON S.J. RES. 106—COVERT ASSISTANCE TO NICARAGUA

HEARING

BEFORE A

SUBCOMMITTEE OF THE

COMMITTEE ON APPROPRIATIONS

UNITED STATES SENATE

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CONTENTS

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INTER-AMERICAN AFFAIRS

	Page
Opening statement of Senator McClure	1
Senate Joint Resolution 106	3
Statement of Senator Proxmire	7
Opening statement of Langhorne Motley	8
Prepared statement	10
State Department Report—"Sustaining a Consistent Policy in Central America"	17
State Department Report—"The Nicaraguan Peace Process: A Documentary Record"	38
Presidential Report—"U.S. Support for the Democratic Resistance Movement in Nicaragua"	48
Chart on Soviet military deliveries to Nicaragua	62
Chart on identified deliveries of selected military hardware by Communist states and Libya	63
Chart on active duty armed forces	64
Statements of Nicaraguan church leaders	71
Sources of Salvadoran guerrilla armaments	85
Cable from Teguciagalpa	100
Statement of Bayardo de Jesus PAYAN Hidalgo	103
Prepared statement of Senator Patrick J. Leahy	107

HEARING ON SENATE JOINT RESOLUTION 106—COVERT ASSISTANCE TO NICARAGUA

THURSDAY, APRIL 18, 1985

U.S. SENATE,
SUBCOMMITTEE ON DEFENSE,
COMMITTEE ON APPROPRIATIONS,
Washington, DC.

The subcommittee met at 11 a.m., in room SD-192, Dirksen Senate Office Building, Hon. James A. McClure presiding.

Present: Senators McClure, Kasten, D'Amato, Stennis, Proxmire, Inouye, Johnston, and Sasser; also present: Senators Domenici and Leahy.

DEPARTMENT OF STATE

INTER-AMERICAN AFFAIRS

STATEMENT OF HON. LANGHORNE A. MOTLEY, ASSISTANT SECRETARY OF STATE FOR INTERAMERICAN AFFAIRS

OPENING STATEMENT OF SENATOR MC CLURE

Senator MCCLURE. The subcommittee will come to order.

First, I am chairing this morning at the specific request of Senator Stevens who, I think everyone realizes, is necessarily absent as the Chief of Observers for the congressional group at the Arms Limitation Talks now underway in Geneva. He asked that I chair this morning so that it would not be necessary for him to return from Geneva for this hearing today.

We are here today to take testimony from the administration in support of the President's request that the Congress approve the obligation of intelligence funds available under Public Law 98-473 for supporting the democratic resistance movement in Nicaragua.

Although this is a subcommittee hearing, all members of the full Appropriations Committee have been invited to attend. This hearing must be necessarily brief because the full Appropriations Committee is scheduled to vote on this issue beginning at 3:30 p.m. this afternoon.

The process we are undertaking is pursuant to section 8066 of the fiscal year 1985 Defense Appropriation Act which requires approval by both Houses of Congress before any funds available for this covert assistance can be obligated.

A report from the President citing the need for this funding assistance, also required by section 8066, was submitted to Congress

on April 3, 1985. It is available in both classified and unclassified versions.

U.S. POLICY OBJECTIVES IN CENTRAL AMERICA

The President's request for continued assistance is based on four fundamental U.S. policy objectives in Central America.

Support for democracy.

Renewal of economic development.

Security for democratic governments in Central America.

And support for political solutions to conflicts in Central America.

By law, this assistance is limited to $14 million.

Additionally, on April 4, 1985, the President outlined a comprehensive peace proposal that would govern the application of these funds. The President proposed that the $14 million will not be used for military arms or munitions, but only for humanitarian assistance to the so-called Contras if certain conditions are met.

These conditions include a cease fire in Nicaragua and the immediate initiation of church-mediated talks on internationally supervised elections and an end to repression in Nicaragua.

To quote the President,

> If the Sandinistas accept this peace offer, I will keep my funding restrictions in effect. But peace negotiations must not become a cover for deception and delay. If there is no agreement after sixty days of negotiations, I will lift these restrictions unless both sides ask me not to.

SENATE JOINT RESOLUTION 106

Specifically, the committee will consider Senate Joint Resolution 106. The text of the resolution is mandated by section 8066 and is not amendable. Fast track procedures for handling this resolution are also spelled out in section 8066.

The legislative history of the covert assistance program in Nicaragua is detailed in the committee print of the report before you.

Although this is an open session, I should advise members that we have arranged a separate secure room for a closed session if this becomes necessary.

I am hopeful we can remain in open session, but if members have questions that deal with classified information, we can move to room SD-116, the committee executive room on this floor.

[The committee print of the resolution follows:]

[COMMITTEE PRINT]

NOTICE: This is a draft only, subject to change until approved by the full Committee

Calendar No. 000

99TH CONGRESS, *1st Session* } SENATE { REPORT 99–000

A RESOLUTION TO APPROVE THE OBLIGATION AND EXPENDITURE OF FUNDS FOR SUPPORTING MILITARY OR PARAMILITARY OPERATIONS IN NICARAGUA

APRIL 00 (legislative day, APRIL 00), 1985.—Ordered to be printed

Mr. HATFIELD, from the Committee on Appropriations, submitted the following

REPORT

[To accompany S.J. Res. 106]

The Committee on Appropriations, to which was referred the joint resolution (S.J. Res. 106) to approve the obligation and expenditure of up to $14 million made available by Public Law 98–473 for supporting military or paramilitary operations in Nicaragua, reports favorably thereon without amendment and recommends that the joint resolution be agreed to.

TABLE OF CONTENTS

Page

Background .....
I. Program history .....
II. Program and budget implications of S.J. Res. 106 .....
III. Statutory requirements .....
IV. Compliance with Standing Rules of the Senate .....

2

BACKGROUND

Pursuant to provisions of the Department of Defense Appropriations Act, 1985, contained in Public Law 98–473, the continuing resolution for fiscal year 1985, S.J. Res. 106 is the Senate vehicle by which Congress may approve the obligation and expenditure of up to $14 million of fiscal year 1985 appropriations for supporting the resistance movement in Nicaragua. By law, in order for such funds to be made available, Congress must adopt a resolution approving the obligation and expenditure of these funds. The spending limitation imposed by Public Law 98–473 on any covert aid to Nicaragua has been set at $14 million.

On April 3, 1985, President Reagan transmitted to the Congress his formal report on U.S. support for the democratic resistance movement in Nicaragua. His request for this support is based on four fundamental U.S. policy objectives in Central America: support for democracy; renewal of economic development; security for democratic governments in Central America; and support for political solutions to conflicts in Central America. Additionally, the President outlined a comprehensive peace proposal on April 4, 1985. Specifically, he stated that:

> ". . . after months of consulting with congressional leaders and listening carefully to their concerns, I am making the following proposal: I'm calling upon both sides to lay down their arms and accept the offer of church-mediated talks on internationally supervised elections and an end to the repression now in place against the church, the press, and individual rights.
>
> "To the members of the democratic resistance, I ask them to extend their offer of a cease-fire until June 1.
>
> "To the Congress, I ask for immediate release of the $14 million already appropriated. While the cease-fire offer is on the table, I pledge these funds will not be used for arms or munitions. These funds will be used for food, clothing, and medicine and other support for survival. The democratic opposition cannot be a partner in negotiations without these basic necessities.
>
> "If the Sandinistas accept this peace offer, I will keep my funding restrictions in effect. But peace negotiations must not become a cover for deception and delay. If there is no agreement after 60 days of negotiations, I will lift these restrictions, unless both sides ask me not to."

On April 4, 1985, Senator Simpson, for Senators Dole and Stevens, introduced S.J. Res. 106, which was referred to the Committee on Appropriations. The provisions of S.J. Res. 106 were established by law, as were procedures for debate on the Senate floor. The resolution is not subject to amendment under these same provisions. The scope of formal consideration is limited to that of continued U.S. support for the resistance movement in Nicaragua for fiscal year 1985. The Committee's action on S.J. Res. 106 should not, therefore, be construed to go beyond that.

HEARINGS

The Committee held hearings to consider S.J. Res. 106 on Thursday, April 18, 1985, taking testimony from the Honorable Langhorne A. Motley, Assistant Secretary of State for Inter-American Affairs.

I. Program history

Specific funding and operational details of the CIA covert assistance program to anti-Sandinista forces in Nicaragua are classified. Funding levels prior to the amount appropriated for fiscal year 1984 have not been made public. As with all covert aid, however, the Nicaragua program was initiated via a Presidential finding and reviewed during the annual budgetary cycle by the House Permanent Select Committee on Intelligence, the Senate Select Committee on Intelligence, the House Appropriations Committee, and the Senate Appropriations Committee.

On November 3, 1983, the Senate began consideration of H.R. 4185, a bill making appropriations for the Department of Defense for the fiscal year ending September 30, 1984. This bill contained a House provision (section 775) which specifically prohibited the use of funds for supporting directly or indirectly military or paramilitary operations in Nicaragua. The Senate-reported bill, S. 2039, dated November 1, 1983, contained no such provision. On November 8, 1983, the Senate passed H.R. 4185 without the prohibition against the use of funds for covert assistance to opposition forces in Nicaragua.

House and Senate conferees agreed on November 18, 1983, that $24 million would be appropriated for covert assistance to Nicaragua. This agreement was signed into law (Public Law 98–212) on December 8, 1983. The amount, however, was also a limitation requiring specific congressional approval for any additional funding in fiscal year 1984. On March 8, 1984, the President submitted to the Congress such a request for $21 million. On March 14, 1984, the Senate Appropriations Committee voted to amend H.J. Res. 492, an urgent supplemental appropriations measure for fiscal year 1984 for the Department of Agriculture, with language recommending an appropriation for the Central Intelligence Agency for $21 million. The amendment provided that notwithstanding any other provisions of law, not to exceed $21 million would remain available to the CIA until September 30, 1984. Of this amount, $14 million would be allocated to the reserve for contingencies, administered by the Director of Central Intelligence, and would be subject to appropriate statutory procedures prior to obligation. This appropriation would be available in addition to funds previously appropriated for the Nicaragua program, and it would have eliminated the ceiling established by Public Law 98–212.

The Senate voted on April 5, 1984, to approve the urgent supplemental request which contained these funds for covert assistance to the Nicaraguan contras. The House, however, denied any additional funding. On May 17, 1984, the committee of conference on the supplemental request reported the amendment on covert aid in true disagreement, and on June 25, 1984, the Senate voted to table the covert aid amendment. As a result, no fiscal year 1984 supplemental

funding was appropriated for the Nicaraguan program and the $24 million limitation remained in force.

On September 26, 1984, the Senate Appropriations Committee reported a bill (S. 3026) to appropriate funds for the Department of Defense for fiscal year 1985. This bill contained full funding of covert assistance to Nicaragua. On the same day, however, the House Appropriations Committee reported to the House its bill (H.R. 6329) which contained a prohibition against the use of any intelligence funds for support of military or paramilitary operations in Nicaragua. The entire defense appropriations bill for fiscal year 1985 was later included in H.J. Res. 648, making continuing appropriations for fiscal year 1985.

The conference agreement on the issue of covert aid to anti-Sandinista forces in Nicaragua was contained in section 8066 of the continuing resolution (Public Law 98–473, dated October 12, 1984). The section limited the amount of fiscal year 1985 funds for covert aid in Nicaragua to $14 million and provided that the release of these funds was contingent upon a vote of approval in both the House of Representatives and the Senate after February 28, 1985.

II. Program and budget implications of S.J. Res. 106

The $14 million requested to support military or paramilitary operations in Nicaragua would be made available from within existing funds of the Central Intelligence Agency.

III. Statutory requirements

Pursuant to Public Law 98–473, the President of the United States was required to submit to the Congress a report assessing the requirement for continued aid to the armed resistance movement in Nicaragua. This report and its accompanying papers were submitted to the Committees on Appropriations of the House and Senate on April 3, 1985. Both classified and unclassified versions of the report were made available.

IV. Compliance with paragraph 7(c) of Rule XXVI of the Standing Rules of the Senate

Paragraph 7(c) of Rule XXVI of the Standing Rules of the Senate provides that:

> Whenever any committee by rollcall vote reports any measure or matter, the report of the committee upon such measure or matter shall include a tabulation of the votes cast by each member of the committee in favor of and in opposition to such measure or matter.

The votes cast on the motion to favorably report S.J. Res. 106 were as follows:

Voting for (——): Voting against (——):

OPENING STATEMENTS OF COMMITTEE MEMBERS

Senator McCLURE. Our principal witness today is the Honorable Langhorne A. Motley, Assistant Secretary of State for Inter-American Affairs.

Before calling the witness to make his statement, I would like to defer to the distinguished Senator from Mississippi, Mr. Stennis, for any statement he would like to make at this point and other members of the committee as well.

Senator STENNIS. Thank you, Mr. Chairman.

I yield to the Senator from Wisconsin.

Senator PROXMIRE. Thank you very much, Senator Stennis, and Mr. Chairman.

STATEMENT OF SENATOR PROXMIRE

Mr. Chairman, I want to make the observation that again, on an important issue, this subcommittee is conducting a hearing without benefit of being able to hear both sides of the story.

We held hearings on the MX resolution and only the administration and its supporters were invited to testify. We got just one side of the story.

The subcommittee planned to hold hearings on the SDI program without hearing from opponents of that program until Democratic members of the subcommittee complained in a letter to the Chairman. Now opponents of SDI will be heard.

But again today we are reverting to this practice of only hearing from the administration on important pieces of legislation.

I believe the purpose of any Appropriations Subcommittee is to gather the facts, to hear all the arguments, to weigh the strengths and weaknesses of the arguments, to listen to the clash of ideas. We are not having the opportunity to do that when only administration witnesses are paraded before this subcommittee and no invitations are issued for witnesses who oppose the administration's position.

Mr. Chairman, I ask for an even-handed approach to these critical issues. When you invite the administration to testify, I think it is our obligation to invite, to pursue, witnesses who might have a different point of view. I am sure you would want that opportunity if you were on the other side of the argument.

I welcome the testimony today. It is important to hear from the administration. But the administration is not our only source of information and we should be hearing from all parties to this dispute.

Thank you, sir.

Senator McCLURE. It would not be my purpose to enter into a debate with my friend from Wisconsin, but I think the record ought to note, first, that there were hearings 2 weeks ago for other witnesses.

Second, until this moment we have had no request from the Senator from Wisconsin or any other Senator for additional witnesses at this hearing.

Senator PROXMIRE. We have had witnesses in general on the Defense Appropriation bill, but not on this particular issue before us today, this $14 million.

Senator MCCLURE. Are there any other statements members would like to make at this time?

Secretary Motley, we have your prepared statement. It will be printed in full in the record. We ask you to highlight your statement for the committee and then we will proceed to questions.

POLITICAL STATUS IN CENTRAL AMERICA

Mr. MOTLEY. Thank you very much, Mr. Chairman.

I appreciate this opportunity. The issue has to be placed very clearly in the context of Central America and the Central American policy, what it has done in the last 4 years.

I think we have an effective policy in Central America generally. Efforts to promote democratic and economic development have borne fruit. The moderate center has gained at the expense of both extremes.

Senator MCCLURE. Can I interrupt for a moment?

Can people in the room hear the witness?

Could you pull the microphone a little closer, please?

Mr. MOTLEY. El Salvador recently held its fourth election in 3 years, Guatemala is to hold presidential elections in October, Honduras in November. Of course, Costa Rica is the oldest democracy in Central America.

President Durate has impressed the world. He has gotten a dialog with the guerrillas, he has made real progress on human rights, he has increased the Army's professionalism.

NICARAGUA OBSTRUCTS PEACE

Today Nicaragua stands in the way of peace and progress. It is the odd man out in Central America. Much, I might add, of the success we have had in that area was based upon the passage of what is known as the Jackson Plan which the Senate debated last year and the first increment of which went through the fiscal year 1984 supplemental and the second was a continuing resolution of fiscal year 1985.

Nicaragua, however, backed by Cuba and Russia, continues to export subversion, adds to the massive military buildup, has close ties to Soviet Russia and Cuba. It has rejected reconciliation with its armed opposition. It denies basic political rights. It has consolidated its totalitarian regime, it denies human freedom—the latest redevelopment is the forced relocation of 60,000 peasants in the north to create a fire-free zone.

FOUR U.S. OBJECTIVES IN NICARAGUA

The U.S. objectives toward Nicaragua remain the same as we have stated publicly and privately many times.

One; for them to stop subversion.

Two; to remove Soviet Bloc military advisers.

Three; to reduce the military inbalance that exists in that area, and

Four; to honor that which they told the OAS they would do in 1979 and which they, by agreeing to the draft treaty of Contadora,

they also agreed to, and that is to bring about a real internal democracy.

The Contadora process, which we have supported from the beginning offers a solution, a possibie mechanism for bringing peace. It has been widely praised throughout the hemisphere and other parts of the world and it is a very delicate operation.

Contadora is now, as of April 11 and 12, which was their last meeting, focusing on the difficult problems of verification of arms levels and arms transfers within the region. That process and its 21 points, the document on which it is based provides the framework for peace and we strongly support it.

The Sandinistas have been exposed as a bar to that settlement and are under pressure to address the neighbors' concerns about comprehensiveness, and especially verification, and simultaneous enactment of the treaty. Reconciliation and democratization are critical to real peace.

This is where the Sandinistas have paid lip service. They have not lived up to their letter of the OAS of 1979, and not implemented the aspects of the draft treaty they accepted in principle.

OBJECTIVES OF PRESIDENT'S PEACE PROPOSAL

You, Mr. Chairman, have outlined very well the President's peace proposal and I won't take the time to go over each of the points. What I would like to say in conclusion points out what some of the objectives are.

We seek to end this intransigence on the part of the Nicaraguans to break the Contadora log jam. The President's initiative is an effort to move the Sandinistas toward dialog with their opposition, based on the democratic opposition's March 1 declaration, and under the auspices of the church which has agreed to this mediating role.

We ask no more of the Sandinistas than what Duarte has done in El Salvador. Our initiative keeps open the democratic opposition's March 1 offer—which was to expire on April 20—through June 1, which shows the willingness on the part of the democratic opposition to enter into this dialog.

It restricts, as you point out, the U.S. to nonmilitary items for 60 days after dialog begins. The restriction is lifted if the dialog offer is not accepted, or no progress has been made within 60 days unless both parties request that the restriction continue.

The essential element is a continued physical pressure on the Sandinistas because without it, I think the record proves they will not yield. We think that we are at a Central American turning point.

There is a possibility for peace and I think the President's proposal is widely seen as a step toward that goal. The action now, Mr. President, is with the Congress.

With that, I will be happy to entertain questions.

[The prepared statement of Mr. Motley follows:]

PREPARED STATEMENT OF HON. LANGHORNE A. MOTLEY

ASSISTANT SECRETARY OF STATE FOR INTER-AMERICAN AFFAIRS

President Reagan's April 4 initiative offers an important opportunity for Nicaragua to move toward peace -- with its own people, with its neighbors, and therefore with the United States.

The President's proposal, to link U.S. policy to an internal dialogue mediated by the Roman Catholic Church, creates a new opportunity for reconciliation. It is a hopeful and realistic opportunity for peace in Central America for at least two basic reasons.

-- First, the President is building on the impressively broad international consensus that some form of democratization is required in every country in Central America, and that this holds for Nicaragua as much as El Salvador.

-- Second, the President has identified an alternative to the two extremes the American people want to avoid: a second Cuba, this time on the Central American mainland; and a second Vietnam, with American troops mired in combat.

This is thus an opportunity for North Americans as well as Central Americans. Only Congress, however, can give the President the means to make peace work. That means is embodied in Senate Joint Resolution 106. The experience of the past six years has shown that the Sandinistas respect others only when left no alternative.

I. The Central American Crisis

Nearly everyone now agrees on the outlines of Central America's crisis.

The Central American countries are beset for the most part by decades of social, economic and political inequities, and have more recently been driven to the edge of economic disaster by worsening terms of trade, world recession, and unproductive national economic policies. These explosive conditions are the 'root causes' of rebellion and violence.

At the same time, as the National Bipartisan Commission on Central America detailed so well, Cuba and the Soviet Union are exploiting historical poverty and repression to advance their own strategic interests in the hemisphere. Those interests are inexorably hostile to the United States. And experience over six long years of crisis has amply demonstrated that the goals of the Cubans, the Soviets, and to date the Sandinistas, are also contrary to the national interests of the region's democratic nations.

II. U.S. Policy

The United States has through two administrations evolved a response that takes into acount all aspects of this complicated crisis. The four continuing goals of U.S. policy in Central America were outlined by President Reagan to a Joint Session of the Congress in April, 1983:

-- In response to decades of inequity and indifference, we will support democracy, reform and human freedom...

-- In response to the challenge of world recession and, in the case of El Salvador, to the unrelenting campaign of economic sabotage by the guerrillas, we will support economic development...

-- In response to the military challenge from Cuba and Nicaragua -- to their deliberate use of force to spread tyranny -- we will support the security of the region's threatened nations... [and]

-- We will support dialogue and negotiations -- both among the countries of the region and within each country.

What this involves at bottom is a change in political attitudes and systems. Some time ago, Secretary Shultz said that the United States seeks a Central America more like Costa Rica than Cuba. That remains a good summary of our basic attitude. Costa Rica has never repressed its own people or sought to subvert its neighbors; the various sectors of Costa Rican society rely on dialogue rather than confrontation, whether in national elections or in the Legislative Assembly or when dealing with foreign problems.

Costa Rica is in the forefront of that large and growing number of nations calling upon Nicaragua to support and not oppose the democratizing trend in the hemisphere. At the same time, Costa Rica's concern about the United States is not that we are 'interfering' in Central America; it is that we appear capable of abandoning our friends and not meeting our responsibilities. President Monge's visit this week reflects the overwhelming concern of Central America's strongest democracy.

The responsibilities borne by the United States in this crisis are indeed great. The Bipartisan Commission, and since then the Administration and the Congress, have recognized that specific reforms alone are not enough. Only a comprehensive and sustained approach which deals simultaneously with all of the interlocking problems of the region can succeed. Economic aid is necessary to deal with the ravages of depression and civil war and to help provide the bases for longer-term growth with equity. Security assistance and other demonstrations of U.S. national will, backed by military power, have provided an effective shield behind which the rest of our policy has been able to unfold.

On April 12, Secretary Shultz forwarded to the President a report assessing the situation in Central America and our programs and policies there since the Bipartisan Commission submitted its report in January 1984. I ask that the Secretary's report be included in the record and considered an integral part of this statement. The basic conclusion is threefold: first, events have shown that the Commission was right in its judgments and recommendations; second, we have made important progress in implementing the comprehensive policy advocated; and third, we -- the Administration, the Congress and the Central Americans themselves -- have much more to do before the task is completed.

One aspect of the Secretary's report is worth underscoring -- the dramatic progress in El Salvador since early 1984. The world has recognized and applauded the benchmarks: last year's presidential elections followed by legislative and municipal elections less than three weeks ago; the continued decline in politically-motivated killings; the triumphant assertion of the democratic, reformist center against the violent extremes of left and right; the public confidence in President Duarte which enabled

him to make his historic offer of dialogue with the guerrillas; and growing practical recognition from Tokyo to Paris to Mexico City that democracy is the future of El Salvador.

Less than two years ago, of course, there was no consensus. As recently as the beginning of 1984, many observers saw little hope for what was then called the 'elusive' democratic center. They doubted that the repressive political culture of the old El Salvador really was doomed. They believed polarization was so complete that no amount of U.S. aid would provide relief and that the United States was being drawn into direct military involvement on the side of dictators and unpopular governments.

The critics, the cynics and the skeptics were wrong. Duarte and a million and a half voters made believers of most of them. Today, few who hear the phrase 'military intervention' think of any possible application in El Salvador. There has been no second Vietnam in El Salvador. And El Salvador will not become a second Cuba.

III. Nicaragua in the Balance.

Sandinista Nicaragua today is the 'odd-man out' in a Central America moving toward democracy. It is also the major obstacle within the Contadora process. The Sandinista leaders are profoundly at odds with the Nicaraguan people, with the Nicaraguan Catholic Church and with democratic leaders throughout the world.

The record of the past six years provides the critical background. The Sandinistas have repeatedly and systematically rejected normal relations with Nicaragua's neighbors in favor of the Soviet Bloc, despite extraordinary U.S. economic assistance during the first 18 months after Somoza fell. Where once the Sandinistas were praised as liberators, today there is little disagreement about their internal repression, about the transparent falsity of an 'election' facade set against 'divine mobs' and a censored press, about the unprecedented build-up of the military forces, the presence of thousands of Cuban, Soviet and other Bloc military personnel, or about the continuing support for guerrillas and terrorists in neighboring Central American countries. As further background, I ask that the unclassified excerpts from the President's April 10 Report to the Congress also be considered as a part of this statement.

United States policy is aimed directly at bringing about a change in this behavior. So is the policy of all of Nicaragua's neighbors, as well as the specific, agreed objectives of the Contadora process itself.

One aspect of the record, however, may not be adequately understood, and it is one of direct relevance to this hearing. That is the history surrounding the attempts at internal dialogue on the part of the Nicaraguan democratic opposition. As a third integral part of this statement, I would offer a special documentary report, which places the current calls for dialogue -- including President Reagan's peace initiative -- into the context of the Contadora process, the appeals of the Nicaraguan Bishops, and the calls of hemispheric leaders for dialogue within Nicaragua.

The documents speak for themselves. I would only emphasize how starkly the record contrasts the recent histories of Nicaragua and El Salvador and how uniformly the Latin Americans themselves support internal dialogue in Nicaragua.

The Salvadoran experience speaks directly to where we stand today in Nicaragua. Alternatives to civil war and foreign entanglement exist in Nicaragua as well.

IV. The President's Proposal

President Reagan's April 4 initiative grew out of this historical context. If the United States is somehow 'imposing' democracy, dialogue and reconciliation on Sandinista Nicaragua, that is news indeed to the Central and South Americans.

The immediate precursor of the President's proposal was the Nicaraguan Bishops' acceptance March 22 of the mediation role proposed in the February 22 and March 1 announcements by the internal and external democratic opposition. The opposition's call for Church-sponsored dialogue and a cease-fire in place was characterized as fair and promising by a wide spectrum of observers. The Sandinistas rejected the entire idea, just as they had excoriated the Bishops for their Easter Pastoral letter in 1984, which had called for dialogue among all Nicaraguans, in and out of the country, armed and unarmed.

President Reagan has asked the Sandinistas to reconsider and has asked you to help provide the incentive.

The Salvadoran government has crossed the psychological threshold to dialogue with armed guerrillas. Are the Sandinistas exempt from any obligation to engage in a dialogue with their opposition? President Reagan's offer is a pragmatic incentive to the Sandinistas -- and a commitment to them -- to ease the difficulties the nine comandantes are apparently facing as they consider crossing that threshold.

With the help of Congress, that incentive will be clear: the one aspect of our behavior which the Sandinistas have sought to change in every available forum -- U.S. funds to support democratic resistance forces -- can indeed be changed, but only in exchange for a genuine reconciliation among Nicaraguans.

Some wonder whether we can realistically expect the Sandinistas to accept now what they have steadfastly rejected in the past. Can we expect 'realism' or 'pragmatism' from 'ideologues' or 'fanatics'? The record of recent years suggests we can -- if the right approach is developed. In 1979-81, the United States cooperated with the new Sandinista regime and furnished economic aid; the Sandinistas militarized and subverted. But when pressure was applied by the armed resistance, the comandantes began to hedge. To use a favorite term from the Marxist lexicon, they began to respond to changes in the 'objective conditions' they faced. And there is no 'objective condition' so sobering as the growing resistance of one's own people. Even ideologues recognize that kind of reality.

The President has made clear that we have a moral obligation and a national interest not to abandon Nicaragua's democrats in exchange for empty promises or sham elections. But real dialogue and genuine democracy would allow the opposition -- which took up arms because the democratic route was unavailable -- to lay them down once again. The President's offer is designed to help the Sandinistas recognize that their acceptance would not be a zero-sum outcome. Nor would it be for us. But to abandon an ally -- whether Costa Rica, or Honduras or the Nicaraguan people -- would by definition be a losing proposition for the United States, and a blow to U.S. credibility.

It is important to read the President's proposal within the framework of what has already happened in and out of Nicaragua. For example, the President has not provided a 'final outcome' for the dialogue. That is for the Nicaraguans themselves to work out. What he has done is to facilitate the self-determination of Nicaragua's future by Nicaraguans, something the Sandinistas have heretofore prevented.

Finally, President Reagan has neither provided the basis for an invasion of Nicaragua nor has he unilaterally injected the United States into the internal affairs of a sovereign nation. Again, the historical context makes this clear. The United States has been called on by Nicaragua's Central American neighbors to do no more -- and no less -- than help defend them against an aggressive garrison state armed and supported by Cuba and the Soviet Union. Nicaragua is being asked no more than what was demanded of El Salvador by the Congress and many others around the world, including the Sandinistas themselves. The Sandinistas are called on to fulfill promises they themselves freely made in 1979 to their own people and to the OAS (including the United States). Indeed, the Nicaraguan government in 1983 signed the Contadora Document of Objectives -- which asserts that regional peace is impossible unless a dialogue is undertaken between the government and opposition in each country affected by violence.

The documents of current history support the wisdom of the President's peace plan. The immediate reaction has been significantly positive: Duarte of El Salvador saw the reflection of his own experience; Betancur of Colombia emphasized that dialogue fit "within the philosophy and within the reach of the Document of Objectives which the countries of Central America freely signed"; Mexico's De la Madrid underscored the cease-fire aspect; Lusinchi of Venezuela noted that "the Nicaraguan Government would not lose anything by entering into conversation with the opposition"; Ecuador's Febres Cordero cited El Salvador and Guatemala as favorable precedents; Costa Rica's Monge gave his "enthusiastic support"; and more encouragement came from Suazo of Honduras, Barletta of Panama, and Alfonsin of Argentina.

The democratic resistance has apparently accepted the President's request to extend their cease-fire offer until June 1. We hope the Sandinistas will also respond to the many voices -- and, I stress again, it is not just our own -- calling on them to make peace with their own citizens.

V. The Choice Facing the Congress

A critical element of the President's proposal to the Sandinistas is the incentive that can only be provided by Congressional approval of the immediate release -- under the formula the President carefully defined on April 4 -- of the $14 million already appropriated.

What exactly is implied in Congress' choice? A great deal, and the consequences will be both short- and long-term.

To begin at the beginning, a vote in favor would be a demonstration of continued national commitment to a successful policy in Central America. Consistency and continuity are two characteristics that have been lacking in U.S. policy toward Latin America. This is not the time to abandon a policy that is working.

In the second place, a vote in favor would provide the President with the authority he needs to deal with a complex negotiating situation -- with the capability to increase pressure, but in the hope that Congressional support will help make its use unnecessary. To vote yes is to make the most of the new opportunity for peace.

Some say that a vote against would be a vote for peace, because the democratic resistance would then give up, and, like it or not, we could then learn to live with the Sandinistas. This is folly. We as a nation have often not learned well from history, but there are certain lessons so recent and so painful that we have paid attention. One of these is the lesson of Cuba: Has

Castro's enforced mastery over Cuba in any way affected his policy of acting as a Soviet proxy against U.S. interests at every available opportunity? No. And 'learning to live' with an anti-democratic Nicaragua would be a contradiction in terms for any democracy. And Nicaragua is not an island.

To be sure, the Nicaraguan resistance has demonstrated a will to carry on even without our full support; the resistance forces are not mercenaries. To deny them support would weaken their ability to resist, it would not end the fighting. And if the Sandinistas conclude we are not serious, if they conclude that they can avoid dialogue with impunity, then even more Nicaraguans would die. Peace would be the least likely outcome. The only prospect would be unabated irregular warfare and destruction -- for years to come.

That is why the opportunity for internal reconciliation through dialogue is so important -- now. We Americans have a special responsibility to profit by the experience of the past six years in Central America and act, now, to seize that opportunity. We have learned from El Salvador that dialogue within the framework of democratic and constitutional order is possible when a government possesses the self-confidence that results from being democratically elected.

We have also learned that the Sandinistas will not change without powerful reasons to do so. That is why the President has asked the Congress to provide such a reason. A 'yes' vote will maintain the pressure and provide incentives for change. A 'no' vote would remove the incentive and guarantee the prolongation of the conflict. A 'yes' vote is a catalyst for a peaceful solution; a 'no' condemns Nicaragua and the region to continuing bloodshed.

We are not saying that a 'no' vote would result in instant disaster. The fact is, we would probably not see an immediate effect of that 'no', either in the field or at the next Contadora meeting. But the impact would come, first privately and then publicly, and it would ultimately add up to a disaster. A 'no' vote would leave the interests of the United States and its democratic allies open to steady erosion.

We do not want to see more suffering in Central America. We do not want to see relations between Nicaragua and the United States frozen into the kind of hostile and confrontational stalemate that has characterized U.S.-Cuban relations since Castro turned his island into a Soviet proxy.

We have before us an opportunity to prevent a tragic repetition of history. We must grasp it by demonstrating to Nicaraguans -- to the comandantes and to the democratic resistance -- and to the rest of the world that we are united in our principles and our goals. The President's proposal offers the opportunity for the American people, through their elected representatives, to demonstrate their resolve in support of people struggling for democracy.

VI. Conclusion -- the Unanswered Questions

Mr. Chairman, over the past weeks I have been asking one question repeatedly: "Will Nicaragua change?" I have asked it in several different ways:

-- "Why negotiate unless the agenda has something in it for each side?"

-- "If the Nicaraguans in the armed resistance are abandoned, why should the Sandinistas negotiate with them?"

And, in a more rhetorical manner:

-- "If anyone knows of a more effective way to create a bargaining situation with the Sandinistas, let us know."

To my knowledge, Mr. Chairman, no one has developed a more workable answer to those questions than what has formed the basis of our policy. It has had its clearest, most hopeful articulation in the President's offer of April 4. I believe it is the responsibility of the Congress to give the President what he needs to help Central Americans -- and Nicaraguans in particular -- to achieve peace.

Special
Report
No. 124

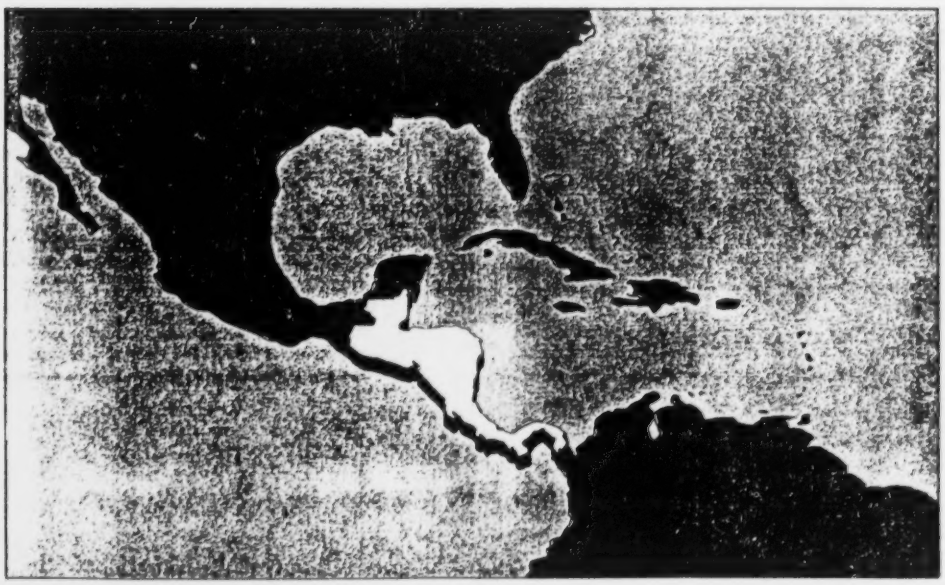
United States Department of State

Sustaining a Consistent Policy in Central America:

One Year After the National Bipartisan Commission Report

Report to the President
From the Secretary of State

April 1985



CONTENTS

1 Letter of Transmittal

2 Summary

3 Central America One Year Later

3 Economic Stabilization and Growth

6 Human Development

7 Building Democracy

10 Security

13 The Search for Peace

15 APPENDIX A: Summary of Commission Report

18 APPENDIX B: Legislative Update

20 APPENDIX C: Foreign Assistance for Central America: FY 1983, 1984, 1984 Supplementals, and 1985; FY 1986 Request

Letter of Transmittal

Mr. President:

The National Bipartisan Commission on Central America reported in January 1984 that the crisis in Central America engages vital moral and strategic interests of the United States. During the summer and fall, the Congress made available funds that enabled us to begin to act on many key Commission recommendations.

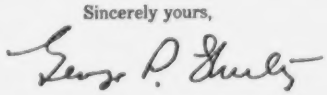
This study assesses how we are doing. A year is a brief period in the history of Central America. But we have begun to change popular attitudes as well as official policy. After years of relative indifference, we are putting a lot more than words into our support for equity, reform, and freedom for all our neighbors.

The events of the past year, while not conclusive, added up to a better year for many Central Americans. The ravages of poverty and violence can be measured by the hundreds of thousands of persons displaced within their own countries or moving to neighboring countries and the United States. But in most countries, the economic decline of recent years was stemmed; political life was more free. In El Salvador President Duarte talked directly to guerrilla leaders; while in the regional Contadora negotiations, some progress took place, buttressed by the effort we undertook at Manzanillo.

Only in Nicaragua did countertrends prevail. While democracy was becoming stronger elsewhere, the Sandinistas continued to betray the democratic principles of the anti-Somoza revolution, refusing to hold free elections or to talk to those Nicaraguans forced again to take up arms against dictatorship. While claiming to seek peaceful solutions, the Sandinistas are militarizing Nicaragua and supporting armed insurrection in other countries in ways that serve Soviet goals of destabilization and conflict.

Every American has a stake in helping our neighbors to build working democracies free of internal or external threats to their freedom and security. A great deal remains to be done. But the fundamental message of the attached study is that hard work and steadiness are making a real difference.

Sincerely yours,



GEORGE P. SHULTZ

The National Bipartisan Commission on Central America (referred to in this study as "the Commission") was named in July 1983 by President Reagan to advise on "a long-term United States policy that will best repond to the challenges of social, economic, and democratic development in the region, and to internal and external threats to its security and stability."

Henry A. Kissinger served as Commission Chairman. The Commissioners were: Nicholas F. Brady, Henry G. Cisneros, William P. Clements, Jr., Carlos F. Diaz-Alejandro, Wilson S. Johnson, Lane Kirkland, Richard M. Scammon, John Silber, Potter Stewart, Robert S. Strauss, and William B. Walsh. Senior Counselors were Jeane Kirkpatrick, Winston Lord, William D. Rogers, Daniel K. Inouye, Pete V. Domenici, Lloyd Bentsen, Charles McC. Mathias, William S. Broomfield, Jack F. Kemp, James C. Wright, and Michael D. Barnes. Harry W. Shlaudeman served as Executive Director.

This study of where we stand in developing the long-term approach recommended by the Commission was prepared by the Department of State and the Agency for International Development, with assistance from the Departments of Defense and the Treasury, the United States Information Agency, and the Peace Corps.

Summary

The report submitted to the President on January 10, 1984, by the National Bipartisan Commission on Central America is at the core of U.S. policy in Central America. The Commission concluded that fundamental strategic and moral interests of the United States require a long-term national commitment to economic opportunity, human development, democracy, and security in Central America.

The Commission proposed a comprehensive approach—an active diplomacy in support of democracy, supported by economic aid to get at root causes of poverty and social unrest and by security assistance to protect peaceful development.

The Commission recommended an immediate supplemental appropriation of $400 million and an additional $8 billion in economic aid for the succeeding 5 years. The Administration's proposal was similar: a $400 million fiscal year (FY) 1984 supplemental, $5.9 billion in appropriated funds, and $2.0 billion in insurance and guarantees for FY 1985–89.

The Commission also recommended increased military assistance to permit the application of modern, humane counterinsurgency strategies which require greater mobility, more training, higher force levels, and more equipment. The Administration proposed a $259 million supplemental for FY 1984 and $256 million for FY 1985.

Bipartisan congressional majorities approved increases in both economic and military assistance close to what the Commission recommended and the President proposed for FY 1984–85.

Current Strategy

Our increased economic assistance is being used to:

- Arrest declines in incomes, employment, and economic activity through major balance-of-payments assistance;
- Establish the basis for long-term economic growth through improvements in economic policy and the infrastructure needed to export;
- Assure the widest possible distribution of the benefits of growth through assistance aimed at improving health, education, and housing for the poorest groups; and
- Support democratic processes and institutions through assistance for the administration of justice, technical training, and the development of leadership skills.

At the same time, security cooperation has been put on a firmer professional footing. The improved performance of the armed forces of El Salvador and the increased readiness of those of Honduras are directly linked to increases in both the quantity and the steadiness of U.S. security assistance and military cooperation.

Results

In Central America as a whole, regular elections have become the norm, and economic decline has been stemmed. After a decline of 4% in 1982–83, gross domestic product (GDP) grew by 1.2% in 1984—not enough to offset population increases but enough to mark a clear turnaround.

The longer term economic framework recommended by the Commission is beginning to take shape. Traditional development assistance—concentrated in education, nutrition, health, and agriculture—has been strengthened. In addition, we have begun to work with governments and legal organizations to improve the administration of justice and to develop new programs for leadership training, and other support for democratic institutions. The trade credit insurance program has been established. The Caribbean Basin Initiative, proposed by the President in 1982, took effect in January 1984, further opening the U.S. market to Central American as well as Caribbean nations for 12 years, until 1996.

A key problem is that Nicaragua continues to support—with Soviet and Cuban resources—antidemocratic forces throughout the isthmus. The security threat to other countries posed by this communist challenge diverts government revenues from development to defense and weakens the productive forces needed to support self-sustaining growth.

The United States continues to support a verifiable and comprehensive peace settlement that implements the Contadora principles. Whether or not an agreement is reached, however, substantial amounts of U.S. aid will continue to be needed to strengthen our neighbors' well-being and security.

Next Steps

This year we again seek bipartisan support for the balanced and mutually reinforcing mix of political, economic, security, and diplomatic activities that the Commission concluded we should pursue simultaneously. For FY 1986, the Administration's economic assistance request totals $1,053 million; the military request is $261 million. Legislation that would authorize appropriations for nonmilitary programs for FY 1986–89 would provide a critical assurance of U.S. commitment and an important tool for public and private planning in Central America.

In our FY 1986 foreign assistance authorization proposal, we also have requested the statutory authority to carry out three additional recommendations of the Commission:

- To support comprehensive programs to improve the administration of justice, including investigative and enforcement aspects necessary to assure that evidence is obtained and provided to courts in a professional, timely, and humane manner. Any activities otherwise subject to the Foreign Assistance Act's prohibition on assistance to police (section 660) would be subject to prior notification to the Congress.
- To allow aid recipients to use local currencies generated from appropriated funds to help compensate former owners of land transferred under land reform programs. This would enable the completion of the titling procedure in El Salvador, give increased security to the new owners, and provide capital for domestic investment by local entrepreneurs.
- To help organize and to join a regional forum to provide Central Americans, from the private sector as well as from government, an opportunity to participate in the formulation of strategies for achieving common objectives. The recommendations of this organization would be taken into account in allocating bilateral economic assistance. ■

Central America One Year Later

Almost as soon as the Commission issued its report, developments in Central America began to confirm the accuracy of its analysis and the soundness of its judgment. In early 1984, many in the United States, in Western Europe, and even in Latin America believed that El Salvador was caught in an endless war between the guerrillas of the left and death squads of the right. But the Commission saw a different future. It saw electoral democracy, reform, and political dialogue as realistic alternatives to the antidemocratic violence of the extreme left and right—provided El Salvador's democrats got the support they needed.

Today, El Salvador's problems are closer to resolution than a year ago. In 1984 there were two rounds of national elections leading to the presidential inauguration of Christian Democrat Jose Napoleon Duarte; the trial, conviction, and imprisonment of the murderers of four American churchwomen; changes in military and security personnel and in the procedures which govern their behavior; improved economic and military performance; a marked reduction in the number of political crimes; and President Duarte's initiation of a dialogue with the FMLN/FDR [Farabundo Marti National Liberation Front/ Revolutionary Democratic Front] guerrillas. At the same time, the United States increased both economic and military assistance while West Germany, the United Kingdom, and Japan all resumed or increased aid during 1984.

I do not think [the outside world] has changed. It is the situation in El Salvador which has changed, especially since my election as president.

President Duarte, July 19, 1984

In Nicaragua, the Commission's analysis—and warnings—were also on the mark. The consolidation of a Marxist-Leninist regime with support from Cuba and the Soviet Union continued and was perceived by Nicaragua's neighbors as increasingly threatening. The Nicaragua of 1985 is less democratic, more heavily armed, and more closely tied to the Soviet bloc. Support from Western Europe and democratic Latin America is less than it has ever been. Just as a harsher Somoza dictatorship sparked more rebellion, so the *comandantes'* communism has bred increasing armed and unarmed resistance. Whether and, if so, how the Sandinistas can adjust their behavior to the needs of their people and their neighbors is now clearly the most important of Central America's current dilemmas.

Though less in the news than either El Salvador or Nicaragua, Guatemala—Central America's most populous country—also produced political drama in 1984. Shattering the stereotype of hopeless polarization, the Guatemalan electorate turned out in record numbers on July 1, 1984, to support the political center in elections that were open and honest. The Constituent Assembly is scheduled to complete its task this summer. General elections are scheduled for October 27, 1985.

Costa Rica and Honduras feel somewhat less secure today than at the beginning of 1984. This underscores two other key Commission findings: that each Central American country is directly affected by events elsewhere in the isthmus and that the United States is logically regarded as the one nation with both the moral responsibility and military strength to defend the region's democratic course. For both Costa Rica and Honduras, the antidemocratic policies of Sandinista Nicaragua and the apparent lack of consensus in the United States about what to do to help move Nicaragua in a more democratic direction have raised concerns about the longer term reliability of the U.S. commitment.

The past year gives reason to believe that the direction we have begun to take—if consistently sustained—can bring lasting and beneficial change for all Central Americans. But it also remains evident throughout Central America that this will require both the *reliability* of a long-term U.S. commitment and the *confidence* that this commitment will continue to be tied to equity, reform, and freedom. For a region so close to our own borders, no other outcome is compatible with the national interests of the United States.

Economic Stabilization and Growth

To help reverse economic deterioration and the social and political unrest it engenders, the Commission recommended an immediate additional $400 million in U.S. assistance for emergency stabilization in 1984 and additional funds for balance-of-payments support to finance essential imports for the private sector in 1985. The Commission also recommended economic policy reforms to achieve stabilization, recovery, and economic development.

Except for Nicaragua, Central America's downward economic spiral has been halted. A regional increase in GDP of 1.2% in 1984 followed GDP declines of 3.3% in 1982 and 0.8% in 1983. In El Salvador, where the economy declined calamitously by 25% from 1980 to 1982, GDP leveled out in 1983 and rose an estimated 1.5% in 1984. Our current estimate is that regional GDP (still excluding Nicaragua) will further rise by 2.5% in 1985.

While this is impressive progress and a cause for renewed hope in the region, population increases mean that per capita income levels will not be restored at 1979 levels until at least the early 1990s. For example, Costa Rica, El Salvador, Honduras, and Belize all increased GDP in 1984, but only Costa Rica achieved a positive per capita growth rate.

U.S. assistance programs were critical in achieving these results. Their continuation is essential if these positive trends are to continue.

Stabilization

Economic stabilization is an essential first step in the economic recovery and development process and, therefore, in the achievement of our goals in Central America. The modicum of stability brought about in the region in 1984 reflected positive changes in Central American economic policies as well as U.S. assistance flows.

In Belize, major steps were taken to reduce the fiscal deficit.

In Costa Rica, U.S. economic assistance supported the government's implementation of policies that improved substantially the country's fiscal and balance-of-payments positions.

El Salvador and Guatemala provided stronger incentives to exports through improved exchange rate policies.

In Honduras, the government imposed a moratorium on central government guarantees of debt incurred by autonomous agencies and raised revenue from tariff reform.

In Panama, the government made progress in implementing its stabilization program and is discussing with the International Monetary Fund (IMF) and World Bank continuation of stabilization and structural adjustment programs.

U.S. economic assistance in the amount of $274 million from the FY 1984 supplemental and $607 million from the FY 1985 Continuing Resolution provided balance-of-payments support for vital imports and other assistance for economic stabilization. These funds also provided local currency credits for development activities. In addition, assistance totaling $190 million was authorized to lay the foundation for long-term growth and development. This substantial assistance also helped to make possible the policy reforms that contributed to the fragile stabilization so far achieved.

Long-Term Growth and Development

The Commission recommended that the Central American nations adopt economic policies that would lead to private sector-led, free market-oriented development with an emphasis on nontraditional exports and increased agricultural productivity. It recommended U.S. assistance to regional programs and institutions. The Commission also stressed the need to seek ways to assist the Central American economies through U.S. trade and investment programs.

For growth to take place, the Central American countries must create the conditions for increasing domestic savings and attracting productive investment. Improving investment conditions means stabilizing the economy and ensuring that risk takers, whether foreign or domestic, can reap the benefits of their investments when they succeed. Only when economic and other risk-affecting conditions are such that domestic savers are rewarded for their thrift, and investors for their enterprise, will flight capital return home and new foreign investment begin to flow once again to the region.

This shift away from the statist, import-substitution, antiforeign model of the past 20 years requires considerable political preparation and entails serious economic dislocation. These reforms would be difficult to carry out in peaceful and secure societies; they are especially hard to manage in fragile democracies caught up in the turmoil of armed insurgencies.

Against great odds, real progress has been made.

Belize has liberalized prices and taken steps to encourage livestock exports. The Agency for International Development (AID) has provided a $5 million line of credit through the Central Bank of Belize for lending to productive enterprises through commercial banks. Contract assistance also is available to local and foreign investors in the preparation of private investment initiatives, primarily in agribusiness.

Costa Rica, where GDP grew by about 6% in 1984, has Central America's most comprehensive economic reform program. It adjusted its exchange rate to maintain export competitiveness and enacted a currency law reform which expands opportunities for private banks. A new IMF standby and a World Bank structural adjustment loan were approved in March. Other efforts are helping to lay a foundation for long-term growth.

- A nongovernmental investment bank to develop investment packages for new export activities is being created with AID assistance.
- A coalition of private business organizations is working with AID to provide training in U.S. business schools to entrepreneurs, bankers, and teachers.
- State enterprises are being divested.
- AID is financing infrastructure in the form of rural road construction, agricultural research and extension, marketing services, production credit, and land titling for the rural population in an area in northern Costa Rica.
- PL 480 food commodity assistance is generating over $20 million in local currency to provide credit to farmers and promote increased agricultural productivity.

El Salvador has improved incentives to exporters by permitting them to sell their earnings on the more favorable parallel exchange market. The government also has improved the management of foreign exchange and has taken a more active role in the promotion of nontraditional exports.

- A project supported by AID is being implemented by the Ministry of Foreign Trade to explore new market opportunities in the United States and other countries.
- An international trade fair was organized with AID support and technical assistance from the U.S. Foreign Commercial Service which attracted U.S. and other foreign investors to El Salvador. Several investment proposals resulted.
- A new business organization, "The Salvadoran Foundation for Economic and Social Development," is working with AID assistance to help small business owners, traders, and skilled crafts people develop and promote new export products.
- A new private finance company is being organized with AID assistance that will provide financial and technical support for productive enterprises. The new facility should add flexibility, initiative, and expertise to the commercial banking system.

Guatemala has legalized the parallel exchange market to improve incentives for exporters. Many activities are receiving AID assistance.

- Credit and technical support is being provided to rural industry and artisan enterprises.
- $16 million in food commodity imports is generating local currency which will be used for the settlement of idle but arable productive lands now in the public domain.
- Land terracing and small-scale irrigation is being introduced in the highlands.
- Research is underway to develop or adopt technologies to increase production and exports of fruits, vegetables, flowers, and plants.

Honduras participates in a joint Honduran-U.S. Economic Working Group which has been formed to develop a rational economic policy framework which favors growth and development. Measures advanced by the group to reduce the fiscal deficit have been enacted by the government. Fiscal incentives were also enacted to promote nontraditional exports.

- AID recently helped establish a confederation of 10 commodity producers' associations, which provides prospective buyers or investors with

"one-stop" assistance, arranges meetings with producers and local investors, and provides information on subjects from production and price information to taxes and export licenses. This initiative is helping to diversify exports from near-exclusive reliance on coffee, bananas, sugar, and beef to a mix of winter vegetables, seafood, melons, pineapples, and other fruits and their byproducts.

- Assistance is also being provided to develop the nonprofit, private Honduran Agricultural Research Foundation.
- U.S. funding is helping thousands of farm families to cultivate hillsides, produce beef and dairy products, and increase the cultivation of coffee on small farms which had been affected by coffee rust.

Panama has committed itself to difficult economic reform measures that are required to manage its huge external debt, reduce fiscal deficits, and create a better economic climate for long-term growth. The new government has introduced tariff reforms, removed some price controls, enacted new tax and budget measures, and is trying to sell some public enterprises to the private sector. U.S. assistance is:

- Helping to work out revisions of Panamanian labor laws, port administration, and electricity rates that will make Panama more attractive to foreign investors;
- Working with the private sector to establish an export development bank to provide medium- and long-term lending to export businesses; and
- Intensifying assistance to Panamanian businesses to develop and promote export-oriented products.

Regional Programs

The Commission also recommended support for regionwide programs.

- A trade credit insurance program has been established which will provide guarantees for up to $300 million in trade credits this fiscal year.
- Representatives of the Central American governments agreed in December 1984 to guidelines for revision of the Central American Common Market's (CACM) common external tariff with precise changes to be detailed in 1985. We are hopeful that these revisions will pave the way for reduction in the level of protection of goods produced within the region, thereby encouraging local producers to become more competitive.

. . . these countries are under economic siege. In 1977, 1 barrel of oil was worth 5 pounds of coffee or 155 pounds of sugar. To buy that same barrel of oil today, these small countries must provide five times as much coffee (nearly 26 pounds) or almost twice as much sugar (283 pounds). This economic disaster is consuming our neighbors' money, reserves, and credit, forcing thousands of people to leave for other countries—for the United States, often illegally—and shaking even the most established democracies. And economic disaster has provided a fresh opening to the enemies of freedom, national independence, and peaceful development.

President Reagan
February 24, 1982

The Commission recommended that the United States provide an emergency credit to the Central American Common Market Fund to refinance part of the trade deficits that CACM members have accumulated among themselves. An AID-financed study by independent contractors identified difficulties with this approach. We are proceeding cautiously. We note that Honduras has decided to stimulate its intraregional trade by adopting a new payment system that will allow market forces to play a major role in determining exchange rates on transactions within the CACM system. We have pledged to support this major reform with $20 million in economic support funds, which will allow the clearing of Honduran arrearages in the Central American Clearing House.

- A recent AID-financed assessment concluded that the Central American Bank for Economic Integration has been an important institutional factor in past regional development, has the capacity to contribute significantly to further infrastructure development and increased industrial production and trade, and can effectively utilize financial assistance from AID. A development assistance and economic support fund (ESF) loan/grant is planned to assist the bank during 1985.
- The Commission also recommended the creation of a Central American development organization to provide an advisory forum for dialogue among all actors—government, business, and labor—on development issues. The Administration continues to seek the authorization of Congress for U.S. Government participation in such an organization.
- The Overseas Private Investment Corporation has continued its support for U.S. investors in Central America and expects to increase its role as new opportunities evolve.

The Caribbean Basin Initiative

The thrust of the Commission's economic recommendations are paralleled by the Administration's philosophy for the Caribbean Basin Initiative (CBI). The 12-year U.S. program of preferential duty-free treatment was implemented on January 1, 1984, for imports from 20 countries and territories in the Caribbean Basin. Belize, Costa Rica, El Salvador, Guatemala, Honduras, and Panama have all been designated.

The fundamental objective of the CBI is to encourage both foreign and domestic investment in the beneficiary countries in efficient and diversified export production. As countries take advantage of the opportunity of preferential entry to the U.S. market, the result should be increased employment, better balance-of-payments positions, enhanced government revenues, and a more diversified and stable industrial structure producing for both domestic and export markets.

The results after 1 year of experience are hard to interpret but, nonetheless, promising. U.S. imports from the six Central American beneficiaries rose by $220 million, an annual growth rate of 12% for the region as a whole. Although less than the rate of growth of U.S. imports from the world (26%) or from Latin America as a whole (15%), when these gross figures are disaggregated, they reveal important gains in nontraditional exports (that is, exports other than bananas, coffee, sugar, and other commodities), especially from countries that maximized the effect of the CBI tariff benefits by following flexible exchange rate policies. Efforts to develop economic and political climates that support private investment, innovation, and export will be crucial to the ultimate success of the CBI.

Third-Country Support

The Commission called for efforts to encourage other industrial countries to increase support for Central American growth and development. U.S. officials have focused on encouraging other developed countries to improve export opportunities for Central American countries.

In September 1984 the European Community (EC) and the five Central American states decided to negotiate a framework agreement for economic and technical cooperation.

Canada has already increased aid, and Japanese assistance also has grown more modestly.

Mexico and Venezuela have made major contributions by enabling Caribbean Basin countries to apply part of the price of oil they purchase to development projects. In 1980, Mexico and Venezuela established the San Jose accord whereby they provide concessional credit for petroleum purchases by Central American and Caribbean countries. The accord was renewed in August 1984.

Human Development

The Commission warned that economic growth and democratic institutions will have unstable foundations if malnutrition, illiteracy, poor education and health, inadequate housing, and population pressures are not addressed.

Health Initiatives. AID is developing new health initiatives and expanding ongoing programs to fulfill Commission recommendations. To benefit those most prone to infectious diseases and malnutrition—the rural and urban poor—the United States has obligated or authorized more than $50 million for health services. Technical assistance is concentrated on such sectors as health economics and financing, hospital administration, epidemiology, and immunization. A regional program to improve the nutritional impact of food aid is in the final planning stages.

A new $8 million Central American regional project promotes a simple, cost-effective technology that cuts deaths from diarrhea, the major killer of children in the developing world. More than 3 million packages based on oral rehydration therapy have been distributed in Honduras alone. Through effective health services and mass media campaigns, rural and urban Hondurans have become aware of the value of this treatment to combat the debilitating and life-threatening effects of dysentery. In one study area, the mortality rate for children under the age of five was estimated to have dropped by 40% after introduction of oral rehydration therapy. Infant mortality in Honduras dropped from 88/1,000 in 1980 to 78/1,000 in 1984, in large part due to the program's success.

Housing and Infrastructure. The Commission recommended emphasis on development of housing and infrastructure, specifically urging $200 million in housing guaranty resources to be allocated over 5 years. For FY 1985–89, $125 million in development assistance, up to $75 million in economic support fund (ESF), and some $450 million in local currency generations from ESF programs are currently projected for housing and infrastructure. The emphasis is to be on rural infrastructure development, the use of labor-intensive technology, and the installation or upgrading of infrastructure to support urban shelters. In 1984, $50 million were in use or programmed for Honduras and Panama. Housing guaranty programs also are being discussed with the Governments of El Salvador and Costa Rica.

Food and Agricultural Assistance. To help meet the immediate nutritional needs of the poor, U.S. concessional food assistance programs (PL 480) to the region increased from about $90 million in FY 1983 to $106 million in FY 1984 and to $111 million this year.

Commitments to Central American agricultural projects and programs in FY 1984 were $76.5 million and $10 million in FY 1984 supplemental funds. In addition, local currency generations from PL 480 programs equivalent to $93.8 million were directed toward the agricultural sector. Such assistance programs have helped to expand agricultural cooperatives, broaden land ownership, and enhance resources available for agricultural credit and investment.

Access to Land. A key element of our human development programs in Central America is expansion of access to land where additional U.S. resources, both human and financial, are being applied. Land ownership encourages long-term decisions on capital investment and crop selection and is essential for access to credit.

- In El Salvador, the agrarian reform program since 1980 has broadened land ownership by transfer of 20% of Salvador's arable land to peasant families totaling 570,000 persons. Most had been landless. As of February 1985, 64,785 provisional and 12,589 definitive titles had been issued.
- In Honduras, an AID-financed land-titling project registered 14,000 titles benefiting roughly 75,000 farm family members. This achievement more than triples the 4,000 titles granted over the previous 50-year period. The plan is to register up to 70,000 titles by 1987.

Also in Honduras, we are preparing to extend a cooperative development project. In the pilot effort, some 1,300 small farmers with 9,600 acres of land were organized into four cooperatives, producing both food and export crops. They received $3.5 million in credit for which they have an exemplary repayment record. Their export sales alone generated $2 million in foreign exchange, and they have capitalized their cooperatives with more than $250,000.

Demographic Goals. The Central American nations hope to reach their demographic goals by decreasing crude birth rates 1% per year over the next decade. Both education and material support are essential to this effort. In FY 1984 the United States financed $5.6 million for support of voluntary family planning programs in Central America. AID has budgeted $15 million for population programs in Central America for FY 1985. In administering programs to assist the free choice of Central Americans in determining family size, AID complies with the August 1984 U.S. policy statement on population assistance.

Employment Programs. In El Salvador, AID contributed to 137,000 full-time jobs in 1984 as part of public works employment programs for the general population and displaced persons. Contributing to these employment levels were AID-financed imports of raw materials and intermediate goods.

Humanitarian Relief. The U.S. Government also has expanded humanitarian relief efforts as recommended by the Commission. One-half million displaced Salvadorans have benefited through the Health and Jobs for Displaced Persons Project and through U.S. contributions to international and private organizations. In August 1984, AID authorized an additional $60 million for El Salvador which, over the next 3 years, will finance vital services such as health and sanitation services and increased food deliveries and relocation. Congress earmarked $7.5 million for humanitarian relief for Miskito Indian refugees in southern Honduras; the funds are being used for medical services, immunization, and oral rehydration therapy, and transportation facilities to improve emergency access and provision of agricultural inputs such as seeds and tools.

Educational Opportunities. The Commission also recommended support for programs designed to bring about substantial improvement in the availability and quality of educational opportunities. Thus, using a mix of FY 1984 supplemental and FY 1985 funds:

- In El Salvador, AID is beginning a $17.68 million program to improve the quality of primary education and make it more available to poor children.
- In Honduras, AID will be providing $10.86 million to reproduce and distribute textbooks to primary students nationwide.
- In Costa Rica, AID is using $4.33 million for a program of selected training activities needed for development.
- Panama is receiving $3.1 million for participant training programs to improve the productivity of selected exported-oriented firms.
- A $2.05 million project in Belize will provide management, public administration, and technical skills to help the private sector identify and develop jobs for the unemployed.
- In Guatemala, $22.7 million are being used to implement bilingual education for Indian children. In December 1984, the government adopted a law legalizing the use of Indian languages in public schools and creating a national bilingual education program which these funds will support.

Scholarships. AID and the United States Information Agency (USIA) have developed new special training and exchange programs under which 10,000 Central Americans will be educated in the United States through FY 1990. The programs cover a wide spectrum, from undergraduate education for poor students to advanced research opportunities.

The Central American Peace Scholarships Project (CAPS) was launched by AID in February 1985. The project will provide scholarship opportunities in the United States to approximately 7,000 Central Americans over 5 years, primarily from lower income families. CAPS will offer English language and remedial education as an integral part of the program and has built-in incentives to reward countries that emphasize concern for lower income youth, women, and minorities. Leadership potential is an important selection criterion.

Some 1,200 long-term and short-term participants should be in training in the United States by the end of FY 1985. By FY 1986, participants are to include 450 long-term scholars and 900 short-term trainees. Under the CAPS project, $2 million from the FY 1984 supplemental appropriations was used to finance the Georgetown University "Central American Students Project." More than 100 Central Americans will participate, as well as some 70 faculty/administrators from Central America and the United States.

The USIA plan for scholarships in Central America totals $9.5 million in FY 1985. It increases International Visitors, Fulbright, and university linkage grant programs and establishes a new program for undergraduates. Some 430 individuals, one-third of them faculty and administrators, will participate in these programs; 3,000 Central American students, at graduate and undergraduate levels, will be involved over the next 5 fiscal years.

Peace Corps. Working with AID and USIA, the Peace Corps is expanding cooperation with Guatemala, Honduras, Belize, and Costa Rica. The Peace Corps has no operations in El Salvador (for security reasons) or Nicaragua (where the Sandinistas in 1979-80 rejected U.S. offers to send volunteers). A program in Panama is under consideration.

In the Caribbean Basin, the Peace Corps aims to increase agricultural productivity and exports. In response to the Commission's recommendations, the Peace Corps' goal is to raise the number of volunteers from about 600 to 1,000 in 1985 and to focus cooperative efforts with AID on education. Approximately 80% of the increase in volunteers will be placed in formal and nonformal educational projects. Participating in AID-funded education programs whenever and wherever possible, the other 20% of the volunteers will be assigned to rural self-help housing, health/nutrition, and small enterprise development. There has been good response from AID Country Missions to joint education efforts with the Peace Corps.

Building Democracy

The Commission report identified one strong trend in the region: "Democracy is becoming the rule rather than the exception." Democratic patterns continue to develop in El Salvador, Guatemala, Honduras, and Panama, while democracy remains the norm in Belize and Costa Rica. The Sandinistas, however, continue antidemocratic policies in Nicaragua.

Democratic Practices

In El Salvador democratic political development was affirmed by presidential elections in March and May 1984 in which nearly 80% of the Salvadoran electorate turned out in the presence of hundreds of international observers to elect Jose Napoleon Duarte. Nine political parties representing a broad range of opinion campaigned in the March 1985 legislative and mayoral elections, which completed the constitutional renewal despite guerrilla attacks and harassment.

Political murder in El Salvador by "death squads" declined dramatically from the levels of previous years, particularly after President Duarte took office. Urban killings by guerrilla groups, however, have increased.

Due to the guerrilla threat, the state of siege restricts some constitutional rights. Nevertheless, the government has reinstated the right of assembly for political parties and peaceful organizations, including church and labor groups. Groups sympathetic to the guerrillas have freely run advertisements and held marches, demonstrations, and a human rights congress dominated by anti-government speeches.

Guatemala held a nationwide election on July 1, 1984, to select delegates to a Constituent Assembly. More than 72% of those eligible cast ballots without official interference. Moderate parties won a majority in the Constituent Assembly, which is drafting a new constitution prior to national elections scheduled for October 27, 1985, and a runoff, if necessary, in November. The new Congress will be seated in December 1985, and a new civilian president will be inaugurated next January. The Guatemalan military is maintaining the scrupulous neutrality it adopted for the Constituent Assembly election.

Honduras continues to consolidate the democratic system begun with the 1981 Constitution and presidential election. Following the replacement of the chief of the armed forces and other military officers in March 1984, their successors reaffirmed military support for civilian rule and the 1985 elections. Labor and peasant organizations continue to operate freely and to play a major role in national events. The campaign is underway for presidential and congressional elections scheduled for November 1985. The succession will be the first transfer of power from one elected president to another in Honduras since 1927.

Panama returned to democracy on October 11, 1984. The inauguration of President Barletta and his civilian government culminated a process of political opening begun in 1978. Isolated incidents of violence and a slow vote count punctuated by charges of fraud marred the election, which was otherwise peaceful and marked by a large turnout of voters. The new president has pledged support for the principles of democracy, and, for the first time since 1968, the legislature has significant powers.

Belize held its first postindependence national elections on December 14, 1984. They were peaceful, open, and honest. The opposition won control of the Parliament and the ruling party handed over power on December 17.

Costa Rica remains steadfastly democratic despite pressing economic problems. As President Luis Alberto Monge told the International Labor Organization in Geneva on June 12, 1984: "Democracy works as a means of settling the problems of production and to win battles in the struggle against underdevelopment and poverty." As a country whose citizens demand respect for the rule of law, Costa Rica has stood up to Sandinista intimidation, most recently over the Christmas eve kidnaping from the Costa Rican Embassy in Managua of a young Nicaraguan who had sought asylum there. President Monge's strong economic policies, backed by an independent legislature, produced the highest growth rate in Central America in 1984.

Nicaragua continued to be the sole exception to the general trend of democratic progress in Central America. During 1984, the Sandinista National Liberation Front (FSLN) increased totalitarian controls over Nicaraguan Government and society through elections that excluded the major democratic opposition coalition and its candidate, former Sandinista junta member Arturo Cruz. Following closely the Cuban model, the FSLN runs the Sandinista Popular Army, the Sandinista Popular Militia, the Sandinista Defense Committees, the Sandinista Neighborhood Committees, and other mass organizations. Centralized government control of the educational system, as well as radio news and all television programming, is in the hands of FSLN cadre assisted by some 2,000 Cuban teachers. The government publishes one newspaper, enjoys the uncritical support of a second, and exercises stringent prior censorship of the only opposition paper, *La Prensa*. One of its most effective instruments of political control is the ration card issued by the Sandinista Defense Committees. Since August 1984—when the government took over the distribution of corn, beans, rice, cooking oil, sugar, salt, soap, and sorghum—the ration card has become an instrument of control affecting the means to acquire even basic staples.

Responding to internal and external pressures, the Sandinistas held national elections on November 4, 1984. Protracted negotiations took place with the opposition over electoral conditions, but the Sandinistas insisted on keeping their inherent advantage as party, government, and armed forces rolled into one. Censorship of the press, harassment and intimidation of the opposition, and a short campaign period forced the principal opposition parties to coalesce and then to withdraw from the election. Since the "election," the Sandinistas have suppressed or forced into exile many of the remaining leaders of the democratic opposition.

Democratic Institutions

The Commission identified strengthening of democratic institutions and support for countries in transition to democracy as essential to U.S. interests in Central America. This recommendation reinforces for Central America the President's 1982 announcement to the British Parliament that the United States would make a major effort to help "foster the infrastructure of democracy around the world."

Our objective in Central America is to help develop or strengthen institutional capacity for peacefully brokering issues that might otherwise be exploited by antidemocratic forces. The trend toward more democratic government provides many opportunities to increase our support for democratic institutions and processes from the national to the community level.

To help individual Central American countries carry out fair elections and to build a permanent institutional capacity within the region to provide this assistance, AID is supporting the Center for Electoral Advice and Promotion, an autonomous, permanent activity of the Inter-American Institute of Human Rights located in San Jose, Costa Rica. The center is a key source of technical advice and assistance to electoral

Democracy works as a means of settling the problems of production and to win battles in the struggle against underdevelopment and poverty.

President Monge, June 12, 1984

tribunals and private institutions on designing and implementing electoral systems and procedures; for observation and evaluation by impartial experts of how elections are conducted; and for sponsorship of conferences, research, and other activities that generate broad support for representative democracy.

We also support efforts to improve electoral systems on a country-specific basis. The FY 1984 El Salvador election project enabled the Central Elections Council to modernize and improve its registration and vote tabulation procedures, to conduct a broader public education campaign on eligibility requirements and voting procedures, and to expand the number of international observers present at the May 1984 presidential election. The system developed also was employed for the March 1985 legislative and municipal elections.

In Honduras, AID has provided $5 million in locally generated currencies to the recently established National Electoral Tribunal to help develop a nonpartisan, comprehensive national voter registration system. This funding has been used primarily for computer equipment and technical training and assistance.

In leadership development and civic education, AID is helping to finance programs of the Partners of the Americas aimed at promoting the democratic process in decisionmaking at the community level. Civic leaders are being prepared as trainers in techniques of problem solving, community action, and civic responsibilities, so that they may help the citizens of their communities become informed participants in the local political process.

We also are developing a pilot regional leadership development program with a private institution in Costa Rica, the Center for Research and Training in Political Administration, which would offer young political leaders from the Central American countries professional, nonpartisan training in grassroots organizations, labor-management relations, local government, interest groups, negotiations, and public relations.

Another important assistance area is support for legislative bodies. AID proposes to facilitate sharing with Central Americans a highly successfully experience in the Dominican Republic. With AID assistance, a Dominican university developed and implemented a training program for new legislators in 1982. The Dominican Congress is now planning to establish a center which will train legislators, members of the executive branch, and city council; undertake studies on policy issues; maintain a reference center; and provide internships for students. We plan to assist representatives from the Dominican university and Congress to work with appropriate institutions in Central America to develop similar programs.

USIA also has increased its programming of U.S. speakers traveling to Central America and International Visitors invited to the United States to discuss democratic processes. For example, special delegations of journalists and legislators from Costa Rica, El Salvador, Guatemala, and Honduras were brought to the United States to observe the November 1984 U.S. elections.

Nongovernmental efforts to strengthen democratic development abroad also have increased, particularly those of the National Endowment for Democracy and affiliated institutes of the U.S. Chamber of Commerce, the AFL-CIO, and the Republican and Democratic Parties. The Free Trade Union Institute of the AFL-CIO has provided assistance in the form of loans, medical assistance, and family resettlement support to democratic trade unionists from Nicaragua now living in exile in Costa Rica. The National Endowment for Democracy has given a grant to the Center for Political Studies in Guatemala for activities aimed at bolstering the transition to democracy. The Endowment has also funded national seminars in Honduras to promote political awareness among non-Marxist labor and peasant leaders.

This innovative and long overdue focus on the political and organizational dimensions of democracy has received widespread support in Central America.

Administration of Justice

Implementing the recommendation of the Commission report, we have begun an intensive effort to help the Central Americans strengthen their judicial systems. Indeed, in his speech to the November 1984 General Assembly of the Organization of American States (OAS), Secretary Shultz highlighted the importance of the administration of justice to the consolidation of democracy throughout the hemisphere.

In September 1984, the United States committed $9.23 million in FY 1984-85 ESF funds for a 3-5 year program in support of the Salvadoran Government's effort to strenthen the administration of justice. This program includes:

- Support for a revisory commission to identify the legislative, procedural, and administrative problems that prevent the judical system from functioning effectively and to design and oversee the implementation of solutions to those problems;
- Support for a criminological institute, which is to include a permanent investigative capability and a modern forensic laboratory;
- Support for a judicial protection capacity (which began with U.S. funding to provide security for the trial of the murderers of the four U.S. churchwomen) to help shield participants in the judicial process from intimidation; and
- Assistance to the court system to improve general efficiency and responsiveness.

Under the program, an intensive, 6-week training of the initial group of investigator recruits was completed in Puerto Rico, and a full-time trainer-consultant in criminal investigation has been assigned to work with the unit and to assist the Government of El Salvador in planning the operation of the criminological institute.

The efforts of President Duarte, continuing those of President Magana, demonstrate the Salvadoran Government's commitment to improving the administration of justice. Despite the notable success evident in the May 1984 conviction of the killers of the U.S. churchwomen, President Duarte still

faces an extremely difficult political task in brokering enduring reforms among the executive, legislative, and judicial branches. Strong, continued U.S. support will be necessary.

Significant changes also are being made elsewhere in the region. A new criminal code went into effect in Honduras on March 13, 1985. The need to improve the judicial system has already become a nonpartisan campaign pledge by candidates of both the government and opposition parties. Guatemala abolished secret courts on September 7, 1983. Administration of justice and human rights are key concerns in the drafting of the new Guatemalan Constitution.

During the past year, the United States supported a conference of Central American bar associations in Costa Rica, a workshop on the administration of justice at the annual meeting of the Inter-American Bar Association in Panama, and participation of Central Americans in an American Bar Association meeting in Texas. The Inter-American Bar Association is making the administration of justice the central theme at its September 1985 annual meeting.

The U.S. Government funded scholarships for students from El Salvador, Honduras, and Costa Rica for graduate study at the University of Costa Rica Law School. We also provided funding for Central American judges and prosecutors to participate in courses at the UN-affiliated Latin American Institute on the Prevention of Crime and Treatment of Offenders (ILANUD) in San Jose.

On March 22, 1985, the United States and ILANUD signed an agreement to begin a 5-year, $10 million regional project to expand training and technical assistance to Costa Rica, the Dominican Republic, El Salvador, Honduras, and Panama and to Guatemala as it returns to civilian rule. This project will enable ILANUD and third-country experts to provide technical assistance to all elements of national judicial systems—from legal reform commissions to Supreme Courts to justices of the peace, from court administrators to prosecutors and public defenders. The project will provide scholarships for graduate legal training and continuing legal education at the University of Costa Rica and support an enhanced law program at the University of Honduras. It also will involve bar associations and other organizations able to contribute to strengthening networks of legal professionals committed to judicial reform and to the exchange of ideas and information on improvements to the administration of justice. This innovative project supports the 3-5 year program for El Salvador.

The Administration strongly concurs with the Commission's recommendation that we help to strengthen the entire process of administration of justice, including support for agencies responsible for criminal investigations. An exception to Section 660 of the Foreign Assistance Act enabled us to move ahead with training and other support for the investigative and judicial protection programs in El Salvador. In the FY 1986 Foreign Assistance Authorization bill we requested that the exception be extended to all of Latin America under carefully defined conditions and subject to prior notification to the Congress.

One way to fight the terrorists, the drug traffickers, and all who abuse human life and dignity, is to develop the capacity of our legal systems to render independent, fair, timely, and accessible justice. . . . It is fundamental that in a democratic society all citizens have access to means for effective enforcement of their civil, political, economic, and social rights.

Secretary Shultz,
November 12, 1984

Security

The Commission encountered a sobering security situation in Central America. During the 1970s, the steady growth of Cuban military power, backed by the direct Soviet military presence in Cuba, was accompanied by reductions in U.S. military presence in the Caribbean Basin. Then, after the Sandinistas came to power in Nicaragua in 1979, the U.S.S.R. shifted from opposition to support of Cuban advocacy of armed struggle. The belief that revolutionary conditions prevailed throughout Central America, especially in El Salvador, was widespread.

Summarizing the strategic significance of Central America to the United States, the Commission consensus was that our national security interests include:

- Preventing developments that might require allocating large resources to defend the southern approaches to the United States;
- Forestalling threats to the Caribbean shipping lanes;
- Avoiding a proliferation of Marxist-Leninist states that would increase violence, dislocation, and political repression; and
- Ending the erosion of our ability to influence events, which would result from a perception that we were unable to protect vital interests so close to the United States.

In 1984, El Salvador's elected government and increasingly professional armed forces made significant progress in dealing with the guerrilla war as a political as well as a military struggle. But the activities of Cuba and Nicaragua, with sizable Soviet cooperation and material support, continue to pose a serious threat to Central American governments and to U.S. interests in the region. Direct Soviet arms deliveries to Nicaragua and Nicaragua's continued support for the armed insurgency in El Salvador underline again the gravity of current security concerns and of the potential strategic risks at stake.

Nicaragua

For all of these reasons, the consolidation of a Marxist-Leninist regime in Managua would be seen by its neighbors as constituting a permanent security threat. Because of its secretive nature, the existence of a political order on the Cuban model in Nicaragua would pose major difficulties in negotiating, implementing, and verifying any Sandinista commitment to refrain from supporting insurgency and subversion in other countries. In this sense, the development of an open political system in Nicaragua, with a free press and an active opposition, would provide an important security guarantee for the other countries of the region and would be a key element in any negotiated settlement.

The Commision Report, Chapter 7

In the year since the Commission issued its report, the Sandinista National Liberation Front (FSLN) further consolidated its control over the Nicaraguan Government and continued its military buildup. After the November 4 "elections," Soviet arms deliveries increased dramatically. During the past 12 months Nicaragua:

- Increased its armed forces to 62,000 active duty personnel and a total force of 119,000, including reserves and militia, while announcing the intention to expand even further through mandatory conscription;
- Acquired Soviet MI-24 Hind attack helicopter gunships;
- Expanded its military inventory to 150 T-54, T-55, and PT-76 tanks; 200 other armored vehicles; and some 300-400 surface-to-air missiles;
- Neared completion of a runway long enough to service any aircraft in the Soviet or Cuban inventory at Punta Huete outside Managua; and
- Deepened security links to Cuba and the Soviet Union as well as to radical states, such as North Korea, Libya, and Iran.

Nicaragua serves as a conduit for money, arms, munitions, medical supplies, and communications and logistical support to the Salvadoran guerrillas. The Salvadoran guerrillas maintain training facilities and command and control centers in Nicaragua. However, there are indications that some Salvadoran guerrilla units are experiencing difficulties in receiving supplies. This disruption of supplies is due to several factors, including more effective intelligence and patrol operations by Salvadoran Government forces, more active Honduran patrols along the border and in refugee camps, and armed resistance activities within Nicaragua.

El Salvador

There might be an argument for doing nothing to help the government of El Salvador. There might be an argument for doing a great deal more. There is, however, no logical argument for giving some aid but not enough. The worst possible policy for El Salvador is to provide just enough aid to keep the war going, but too little to wage it successfully.

The Commision Report, Chapter 6

The Administration and Congress approved the Commission's recommendations to significantly increase military aid to El Salvador. This assistance is already making a positive difference in the military situation.

As recommended by the Commission, U.S. military aid has been administered with close and continual attention to human rights considerations. Under Public Law 98-332, the Executive now reports to Congress on El Salvador every 60 days. The four reports issued so far document steady improvements in respect for human rights by the Government and armed forces of El Salvador. The number of civilian deaths attributable to political violence has declined sharply. The Federal Bureau of Investigation is investigating individuals residing in the United States who may be directing, financing, or otherwise involved in "death squad" activities in El Salvador.

In its treatment of the guerrilla war in El Salvador, the Commission felt that it was imperative to settle on a level of aid related to the operational requirements of a humane counterinsurgency strategy and to sustain that aid over time. The Commission specifically recommended providing the Salvadorans with increased air and ground mobility; increased training; support for higher force levels; greater stocks of equipment; and better troop conditions, especially an improved capability to evacuate the wounded and to provide prompt medical attention.

These recommendations formed the basis for the Administration's request for increased assistance to El Salvador, which was included in two supplemental appropriation bills passed by Congress. In June 1984 the Congress passed an urgent supplemental including $61.8 million in military assistance. In the FY 1984 supplemental, the Congress appropriated an additional $70 million. Together with the FY 1984 Continuing Resolution, military assistance for El Salvador in FY 1984 amounted to $197 million. Though short of the $243 million requested by the Administration, it was, nonetheless, a substantial increase over the $81 million appropriated for FY 1983. For FY 1985 Congress appropriated $128.25 million, $4 million short of the amount requested.

With U.S. support, including training as well as materiel, the Salvadoran Armed Forces have been able to maintain the battlefield initiative. They are now larger, better trained and led, and have improved mobility and communications. In addition, the military now has an aeromedical evacuation capability which, together with an expanded corps of trained medics, has improved morale and decreased the mortality rate among wounded Salvadoran troops. The arrival of two C-47 aircraft with mounted machine guns has provided the armed forces with the capacity to respond to units under attack by guerrilla forces. On January 7 and 8, 1985, a Salvadoran Army battalion withstood a guerrilla force twice its size because of the critical help of the armed C-47s. The Salvadoran military will occasionally suffer some battlefield setbacks, but it is undoubtedly a better military force now than a year ago.

As anticipated by the Commission, this improvement in the military situation for the Salvadoran Government contributed to the FMLN/FDR decision to accept President Duarte's October 1984 offer at the United Nations to meet with

the insurgents. This historic step offers some hope for the eventual reincorporation of FMLN/FDR members into the greatly strengthened Salvadoran democratic process. The short-term results, however, have been disappointing. That the guerrillas have by no means abandoned the goal of complete power is evidenced in their intransigent November 30, 1984, demands for power-sharing, recognition of areas "under guerrilla control," the amalgamation of government and guerrilla forces, and the formation of a new government as preconditions for elections.

Still, the guerrillas are beginning to demonstrate a lack of resolution in the face of the Salvadoran military's increased effectiveness and professionalism. The increased ability of government troops also has strengthened President Duarte's hand in dealing with the armed forces as an institution. The more self-confident military knows that the peace dialogue can be limited to a constitutionally based discussion of the FMLN/FDR's participation in the democratic process.

The humane pursuit of the war has been a central theme for President Duarte and his government. At La Palma and again at Ayagualo, Salvadoran officials proposed an agreement to end all attacks on the economic infrastructure and populated areas. Although their proposals were rebuffed by the FMLN/FDR, President Duarte has enforced strict compliance with rules of engagement to minimize noncombatant casualties. The government's National Plan envisions the extension of increased government services and programs to the civilian population in conflictive areas. We strongly support efforts to monitor closely the rules of battlefield engagement and to increase assistance to the National Plan to help displaced persons.

Other Regional Security Developments

Beyond El Salvador and Nicaragua, the principal security concerns of the Commission report, significant security developments took place in Honduras, Guatemala, and Costa Rica.

Honduras. The military buildup in Nicaragua has placed new pressure on Honduras to modernize its small armed forces, less than one-fifth the size of Nicaragua's expanded military apparatus. U.S. security assistance to Honduras ($77 million in FY 1984) helped to upgrade the mobility, firepower, and reaction capabilities of the Honduran military. With our assistance the Honduran Armed Forces are being restructured to respond to security threats from Nicaragua and from Salvadoran guerrillas seeking sanctuary along the border with El Salvador. We have developed a pattern of close cooperation with Honduras on regional issues. We have been discussing with the Hondurans how both security and economic aspects of that relationship might be revised to reflect current circumstances and to achieve mutually shared objectives. These discussions are continuing.

Guatemala. The Commission noted the continuation of insurgency in Guatemala and the successful efforts of the military to combat the guerrillas through aggressive small-unit patrols and civil affairs programs. In the past year the Guatemalan Army continued to limit guerrilla operations in rural areas. The Mexican Government's decision in 1984 to move Guatemalan refugees from border camps to a region further inland helped improve Guatemalan-Mexican relations and deprived guerrillas of possible sources of logistics support and recuperation.

Guatemala's enlargement of the local civil defense force to 900,000 members also has played a key role in reducing insurgent activity. These largely unarmed forces, while defending their communities, also provide intelligence on guerrilla movements, thereby limiting guerrilla mobility in the countryside. Despite army successes, the shortage of spare parts for helicopters and other supplies hampers the government's ability to respond to guerrilla activity. The insurgents have promised to intensify their activities in the months leading up to general elections in October 1985. Although some abuses at the local level continue, the Guatemalan military now accepts the political need to allow dissent and to focus not on indiscriminate repression but development as the best, long-run counterinsurgency strategy.

The Commission encouraged civic action to address the root causes of insurgency. The Guatemalan Government, in fact, devotes considerable army manpower to such activities, which they designate "civil affairs" and which emphasizes the need for overall coordination of rural development. In addition, the National Reconstruction Committee has rebuilt several dozen towns destroyed in heavy fighting in 1981–82 and is encouraging refugees and displaced persons to return to their homes and land.

Costa Rica. Tensions between Costa Rica and Nicaragua increased in 1984 and early 1985. Armed incidents along their common border pointed to Costa Rican vulnerabilities. U.S. assistance is directed at upgrading Costa Rica's border-monitoring capabilities, professionalization of Civil Guard personnel, and the development of a reaction unit for preserving border integrity.

U.S. Security Assistance and Military Presence

The United States is committed to providing the necessary security for the protection of democratic processes in the region. This "security shield" consists of military assistance, training, exercises, naval maneuvers, and construction programs, including:

- $321 million in FY 1984 and $237 million in FY 1985 in military assistance—MAP grants, FMS credits, and IMET;
- Training under IMET of military personnel from five Central American countries—748 with FY 1984 funds and 1,976 with FY 1985 funds in U.S. and Panama Canal area schools (these figures exclude soldiers trained by U.S. Mobile Training Teams sent to specific countries for brief periods of time);
- Enhancement of regional military cooperation through major combined exercises, such as "Ahuas TARA II" and "Granadero I" as well as a series of small-scale deployment exercises to enhance the joint readiness of U.S. and allied Armed Forces in the region;
- U.S. naval deployments near Central American waters and the "King's Guard" combined naval surveillance and interdiction exercises with the Honduran and Salvadoran Navies in the Gulf of Fonseca; and
- Completion of airfield improvements at Palmerola and La Ceiba that increase Honduran military mobility.

In the fall of 1984, the School of the Americas operated by the U.S. Army was moved when, in compliance with the Panama Canal Treaty, its operations in Panama were discontinued. The school has reopened at Ft. Benning, Georgia, and will be in full operation by December 1985.

In 18 months of operation, the Regional Military Training Center in Honduras trained some 9,000 Central American military and security person-

46-373 O - 85 - 2

nel. One of its notable contributions was to facilitate the rapid, but professionally sound, buildup of the Salvadoran Armed Forces during the critical election year of 1984. The Salvadoran military now has its own basic training center at La Union.

These U.S. security assistance and military activities were in harmony with the Commission's judgments and recommendations. However, the gap in the military capabilities among the region's individual countries increased substantially during 1984.

- Despite some $77 million in U.S. security assistance, the modernization of the Honduran Armed Forces did not keep pace with the Nicaraguan military buildup.
- Despite $9 million in MAP and $133,000 in IMET, Costa Rica was in a similar situation, with its 8,000 Civil and Rural Guards relying almost exclusively on small arms.

The security threat—primarily in the form of Soviet-bloc arms deliveries to Nicaragua and the expansion of the Sandinista armed forces and paramilitary organizations—may still be growing at a faster pace than the policy and response capabilities of the United States and the Central American democracies.

The Search For Peace

. . . we would surely welcome genuine Nicaraguan interest in peace. All we are asking is that the Sandinistas commit themselves to specific, concrete, and far-reaching actions that would show their good faith interest in peace—actions involving no more than they committed themselves to 5 years ago[:] stop exporting subversion to their neighbors; . . . reduce their bloated military to restore regional balance; sever military ties with Cuba and the Soviet bloc; and begin to honor their promises to the Organization of American States to create a democratic, pluralistic system.

Vice President Bush, February 28, 1985

U.S. support for regional diplomatic peace efforts is strong, consistent, and undiminished. We have repeatedly made clear in private communications and public statements our willingness to support and abide by a comprehensive and fully verifiable implementation of the Contadora Document of Objectives of September 9, 1983.[1]

During 1984, U.S. diplomacy pursued the Commission's recommendations that we test "Nicaragua's willingness to enter into a general agreement" and support efforts of the Contadora Group to find a comprehensive reciprocal and verifiable approach to the Central American crisis.

The Office of the Ambassador at Large and Special Envoy for Central America has proven to be an effective means for implementing this diplomacy. The incumbent, Ambassador Harry W. Shlaudeman, made 27 trips to Latin America between March 1984 and March 1985, holding 139 meetings with chiefs of state and senior Foreign Ministry officials.

The Contadora Process

The Contadora process has been the centerpiece of diplomacy among the regional countries since early 1983. Although negotiations were stalled in February 1985 by a dispute over political asylum between Nicaragua and Costa Rica, the Contadora Group scheduled a new round for April.

Three drafts of a final agreement were prepared in 1984. A draft "Contadora Act for Peace and Cooperation in Central America" was prepared by the Contadora Group in June. After initial discussions, the Contadora Group prepared a second draft which it presented to the five Central American states on September 7. Nicaragua announced on September 21 that it would sign this draft provided it was not modified and called on the United States to adhere to an additional protocol.

The other Central American governments welcomed this draft as a positive step but cited the need to strengthen provisions for verification and control and to provide for a more balanced and orderly implementation of its security provisions in particular.

U.S. spokesmen noted that the September 7 draft was much improved and that its elaboration was a positive step in the negotiating process. We also stated our view that provisions for verification needed to be strengthened. In consultations with Contadora participants, we stressed that our textual reservations are in no way to be equated with opposition to an effective treaty, which we would support.

On October 20, El Salvador, Costa Rica, and Honduras proposed another draft, incorporating the specific changes they felt necessary. Extensive consultations among the Contadora participants as to how the September and October versions might be reconciled took place on the margins of the OAS General Assembly in Brasilia November 12–16 and have continued through normal diplomatic channels.

The elaboration of several drafts in 1984 suggests that the Contadora process could make rapid progress in 1985. With negotiations about to resume, the key question is whether Nicaragua is willing to negotiate.

Bilateral Conversations With Nicaragua

We also have supported the Contadora process in bilateral talks with Nicaragua held in Manzanillo, Mexico. These discussions were begun at the request of the President of Mexico, acting on behalf of the Contadora Group. Secretary Shultz visited Managua on June 1, 1984, to begin the process. Since then, there have been nine rounds of talks between Special Envoy Harry W. Shlaudeman and Nicaraguan Vice Minister of Foreign [illegible]airs Victor Hugo Tinoco. To give the [illegible]s the maximum chance to succeed, th[illegible]wo sides agreed not to discuss publicly their specific content. Although the Nicaraguans have publicly characterized the talks in a

[1] The nine countries participating in the Contadora process formally agreed to this document as containing the objectives of their negotiations. These countries are the four members of the Contadora Group (Colombia, Mexico, Panama, and Venezuela) and the five Central American countries (Costa Rica, El Salvador, Guatemala, Honduras, and Nicaragua).

general way, they have largely abided by this rule of confidentiality, as have we.

In mid-January we decided not to schedule further bilateral talks due to concern that Nicaragua was using them to avoid comprehensive negotiations within Contadora's multilateral framework. The Manzanillo talks have been useful in permitting each side to present its concerns fully to the other, but they have made no substantive progress. We undertook the Manzanillo talks in hopes of facilitating a successful outcome of the multilateral Contadora process. Any bilateral agreement necessarily would be incomplete with respect to all elements of the regional crisis. Arms and troop-level reductions, for example, can only be negotiated between Nicaragua and its neighbors. Nicaragua, however, appears to prefer a bilateral agreement, in lieu of Contadora.

On February 27, 1985, in a move that appeared designed primarily for public relations impact, President Ortega announced Nicaragua's intention to send home 100 Cuban military advisers; to suspend, for the time being, acquisition of new armaments, including "interceptor aircraft"; and to invite a U.S. congressional delegation to visit Nicaragua. The moratorium on new armaments systems is potentially significant, but only if it proves more far-reaching and permanent. The offer to send home 100 of the 2,500–3,500 Cuban military advisers could be significant, provided that it would be the beginning of a continuing withdrawal to be undertaken in the near term as part of an overall settlement.

We have communicated to all concerned our willingness to resume bilateral talks if that would contribute to a comprehensive agreement within Contadora. On March 2, Secretary of State Shultz met with Nicaraguan President Daniel Ortega in Montevideo, Uruguay, to explore such possibilities. We are looking to the Contadora negotiations for evidence of Nicaragua's willingness to negotiate seriously. Normal diplomatic channels remain open to continue this dialogue.

Internal Dialogue in El Salvador and Nicaragua

We strongly support President Duarte's dialogue with Salvadoran guerrillas. The lack of a parallel development in Nicaragua was 1984's major disappointment.

In a speech to the UN General Assembly on October 8, 1984, Salvadoran President Jose Napoleon Duarte proposed to meet military representatives of the Salvadoran guerrillas in La Palma, El Salvador. That offer was accepted by the FMLN/FDR and meetings took place on October 15 in La Palma and on November 30 in Ayagualo.

At the first meeting, on October 15, President Duarte personally offered the insurgents the opportunity to be reincorporated into civil and political society, including the chance to participate in upcoming municipal elections. Public hopes that the talks might lead to an early agreement to end the war were dealt a blow by the guerrillas' reversion to uncompromising demands in the second round on November 30. This hardening contradicted public statements made in the United States by FDR representatives that guerrilla groups might participate in the March 1985 nationwide municipal and assembly elections.

The dialogue that was begun at La Palma and continued at Ayagualo has not yet resolved the major disagreements in the Salvadoran conflict. Its initiation, nevertheless, crossed a threshold of enormous significance. That President Duarte was able to meet with the guerrillas and lead his government to those talks reflects the dramatic change that has taken place in Salvadoran politics. President Duarte's initiative began the process of discussions that make it possible for the rebels to be incorporated into their society within a fully representative political system. We expect the dialogue will resume after the March 31 elections.

Nicaragua's 1984 elections proved to be an opportunity for a breakthrough that was, unfortunately, lost. The willingness of resistance forces to lay down their arms if allowed to participate in genuinely free and fair democratic elections had been on record, in writing, since December 1983. During the late spring and early summer of 1984 a coordinated democratic opposition (the *Coordinadora*) looked to the highly respected Arturo Cruz, a former member of the Sandinista government, to lead it in the November 1984 elections. Although Cruz did not represent the armed opposition, few doubted that the entry into the campaign of this former junta member would help redirect Nicaragua's political life toward democratization.

Negotiations between the Sandinistas and the democratic opposition (brokered by the Socialist International) took place in Rio de Janeiro in early October 1984. They collapsed, however, and the Sandinistas withdrew their proposal; the democratic opposition agreed to participate on the basis proposed but was powerless to create the conditions necessary in the face of Sandinista intransigence.

The Nicaraguan opposition, armed and unarmed, continues to seek a dialogue with the Sandinistas. On March 2, 1985, several resistance organizations specifically and formally called for a Catholic Church-sponsored dialogue with the FSLN. Their manifesto—announced in San Jose, Costa Rica, by opposition leaders Arturo Cruz, Adolfo Calero, and Alfonso Robelo—included the following elements:

- Convocation by the Nicaraguan bishops conference;
- Suggestion that other Central American governments act as guarantors of any agreements reached;
- The presence as observers or guarantors of any other hemispheric governments;
- Suspension of all armed activities and a cease-fire in place; and
- Acceptance of Daniel Ortega "as head of the executive branch until such time as the people pronounce themselves in a plebiscite."

The response, at this writing, of the Sandinistas has been twofold. On March 7, Arturo Cruz, who was attempting to present the offer to the Nicaraguan Government, was denied entry into Nicaragua. Two days later, the Interior Minister summoned 10 leaders of the unarmed opposition to accuse them of conspiring with anti-Sandinista guerrillas.

On March 22, 1985, Nicaragua's Roman Catholic bishops expressed their "willingness to mediate in an internal dialogue." In doing so, the bishops explicitly recalled their Easter pastoral of April 22, 1984, which called for "all Nicaraguans inside and outside the country . . . [including] Nicaraguans who

have taken up arms against the government," to participate in "a sincere effort to seek appropriate solutions . . . in a climate of democratic harmony."

The Contadora Document of Objectives calls for "national reconciliation efforts wherever deep divisions have taken place within society, with a view to fostering participation in democratic political processes. . . ." The Sandinistas based their ascent to power on democratic claims and promised free elections. The world is still waiting.

Western Europe

Several West European governments during the past year have shown an interest in supporting democratic development in Central America. West Germany, for example, returned a resident ambassador to El Salvador prior to the first round of general elections there last March and subsequently renewed a program of economic assistance, suspended since 1979. Many West European governments sent official observers to both rounds of the Salvadoran elections.

President Duarte was well received in visits to Belgium, France, West Germany, Portugal, and the United Kingdom in July, as was Costa Rican President Monge during a West European tour in June. The West Europeans have given the Contadora process and the U.S.-Nicaraguan talks at Manzanillo their strong support and encouragement. They have joined us in welcoming President Duarte's dialogue with Salvadoran guerrillas.

West Germany's Willy Brandt and other Socialist International leaders attempted to persuade the Sandinistas to create conditions to enable the *Coordinadora* to participate in the election. When that effort failed, few official observers attended the Nicaraguan elections.

Cuba and the Soviet Union

We have made our positions on Central American issues clear to both the Cuban and Soviet Governments. In particular, we have communicated our concerns regarding Cuban and Soviet military activities within and outside Nicaragua. The Commission's analysis and recommendations reaffirmed our view that we should discourage other governments from thinking we would support initiatives or measures that would tend to legitimize a Cuban or Soviet role in the region. ■

APPENDIX A: Summary of Commission Report

OUTLINE

The report, which was dedicated to Senator Henry Jackson and transmitted to the President on January 10, 1984, consisted of the following chapters:

1. Introduction and basic themes.
2. Placed crisis in larger hemispheric context.
3. Provided historical perspective.
4. Examined prospects for economic and political development; presents recommendations.
5. Discussed social issues—health and education particularly—and makes recommendations.
6. Explored security issues and recommends U.S. action.
7. Looked at diplomatic aspects and offers recommendations on pursuing negotiated settlements.
8. Conclusion.

—On security and diplomatic issues, the report dealt with El Salvador, Honduras, Nicaragua, Guatemala, and Costa Rica. Panama and Belize were included for discussion of development programs.

MAJOR THEMES SET FORTH IN THE COMMISSION REPORT

—The crisis in Central America is acute. Its roots are indigenous—in poverty, injustice, and closed political systems. But world economic recession and Cuban-Soviet-Nicaraguan intervention brought it to a head.

—The crisis will not wait. It must be addressed at once and simultaneously in all its aspects. Ultimate resolutions depend on economic progress, social and political reform. But insurgencies must be checked if lasting progress is to be made on these fronts.

—Indigenous reform, even indigenous revolution, is no threat to the United States. But the intrusion of outside powers exploiting local grievances for political and strategic advantage is a serious threat. Objective of U.S. policy should be to reduce Central American conflicts to Central American dimensions.

—United States has fundamental interests at stake: Soviet-Cuban success and resulting collapse of Central America would compel substantial increase in our security burden or redeployment of forces to detriment of vital interests elsewhere.

—As a nation we have deep and historic interest in promotion and preservation of democracy. Report concludes that pluralistic societies are what Central Americans want and are essential to lasting solutions. In this case, our strategic interests and our ideals coincide.

—Central Americans desperately need our help, and we have a moral obligation to provide it. The United States and other nations can make a difference. But, in the end, solutions will depend on the efforts of Central Americans themselves.

—Although there is urgent need for action, no quick solutions can be expected. The United States must make a long-term commitment and stick to a coherent policy.

—That policy can and should be bipartisan. Commission found wide consensus on principles and objectives.

POLITICAL AND ECONOMIC DEVELOPMENT

—Central American economies grew substantially during the 1960s and early 1970s. But income distribution was highly inequitable, except in Costa Rica and Panama.

—Trend toward more pluralistic political systems in El Salvador, Guatemala, and Nicaragua reversed in early 1970s.

—World recession and rising political violence had catastrophic effect on region's economies in late 1970s, early 1980s. All have declined dramatically. El Salvador's gross domestic product is off 25% since 1978.

—Even with successful stabilization programs and restored political stability, per capita wealth in 1990 would only be three-quarters of what it was in 1980.

—There must be substantial increase in outside assistance.

—Commission believes economic development cannot be separated from political and social reform. Objective must be parallel development of pluralistic societies and strong economies with far more equitable distribution of wealth.

—We propose a program of U.S. assistance designed to promote economic growth, democratization, and greater social equity.

—We encourage the greatest possible involvement of the U.S. private sector in the stabilization effort. Recommend the formation of an emergency action committee of private sector personalities to provide advice on new private-public initiatives to spur growth and employment.

Recommendations: An Emergency Stabilization Program

—Leaders of the United States and Central America should meet to initiate a comprehensive approach to economic development of the region and reinvigoration of the Central American Common Market.

—A $400 million supplemental in FY 1984, over and above the $477 million now in the budget for the seven countries. There is urgent need to stabilize economies now going downhill very fast.

—Focus this assistance on labor-intensive infrastructure projects and housing. Unemployment is a critical problem—politically and economically.

—Establish a program to provide U.S. Government guarantees for short-term trade credits. External credit has dried up. Without it economies cannot be reactivated.

—Provide an emergency loan to the Central American Common Market to permit the reactivation of this vital organization. Lack of resources in the market to settle trade accounts among the countries has stalled it.

—U.S. Government should take an active role in the efforts to resolve the external debt problems of Central America and should encourage the countries that have not done so to seek multilateral rescheduling.

—Also encourage comn ercial banks to renegotiate at the lowest possible interest rates.

Recommendations: Medium and Long-Term

—Commission estimates $24 billion in net external exchange inflows needed by 1990 to foster a growth rate of 3% per capita, returning these countries to pre-recession levels of per capita wealth. About half—$12 billion—is expected to come from international institutions, other donor countries and loans, and investments from private sector sources.

—U.S. Government will have to provide as much as $12 billion if these financing needs are to be met.

—We propose, in this context, a program of $8 billion over next 5 fiscal years (FY 1985–89) in U.S. Government assistance. This would be divided very roughly into about $6 billion in appropriated funds and about $2 billion in contingent liabilities covering guarantees, insurance, and the like.

—Compared with current projections for FY 1985–89, these contributions would constitute an increase of about $2.8 billion in appropriated funds and $0.7 billion in contingent liabilities over the 5-year period.

—Urge that Congress authorize multiyear funding of this program. Commission believes firm, long-term commitment is essential.

—To give form and structure to the development effort, suggest establishment of the Central American Development Organization (CADO). Perhaps one-quarter of U.S. aid could be channeled through CADO.

—CADO would consist of the United States and those countries of the seven willing to commit themselves to internal democracy and reform. Continued membership would depend on demonstrated progress toward those goals. Adherence to regional security pact also required.

—Nicaragua could participate by meeting these conditions.

—CADO's principal body would be a Development Council with tripartite, ILO [International Labor Organization]-style representation. Would assess program and progress toward economic growth, democratization, reform, and preservation of human rights.

—Other democracies would be invited to join.

Additional Recommendations

—Expanded assistance from the U.S. Government for democratic institutions and leadership training—neighborhood groups, cooperatives, binational centers, and visitor programs for leaders of labor unions, local governments, and other organizations.

—Require a firm commitment by the Central Americans to economic policies, including reforms in tax systems, to encourage private enterprise and individual initiative, to create favorable investment climates, to curb corruption where it exists, and to spur balanced trade.

—Urge extension of duty-free trade to Central America by other major trading nations.

—Review nontariff barriers to imports from Central America with a view toward using whatever flexibility that exists within the framework of multilateral agreements to favor Central American products.

—Establishment of the Central American Development Corporation—a privately owned venture-capital company which could initially be financed by a loan from the U.S. Government.

—Recommend that the United States join the Central American Bank for Economic Integration.

—Technical and financial support for export promotion and a U.S. Government review of nontariff barriers to Central American imports.

—Expanded availability of insurance guarantees for new investments from the U.S. Government's Overseas Private Investment Corporation.

—Increased focus in assistance programs on small business and accelerated agricultural development—particularly in production of food for domestic consumption.

HEALTH AND EDUCATION

—Democracy and prosperity in the region require accelerated human development. Hunger, disease, and illiteracy sap a people's vitality and impede the growth of viable democratic institutions.

—Literacy rates are unacceptably low in several countries (e.g., Guatemala, 45%; El Salvador, 63%; Honduras, 60%), handicapping education efforts seriously.

—Widespread malnutrition also handicaps education by sending physically and mentally underdeveloped children to school.

—Goals should include a reduction of malnutrition, elimination of illiteracy, expanded education, health, and housing opportunities.

—Initial efforts must be to increase food assistance to Central America through the PL 480 programs.

—Commission calls for formation, under direction of the Peace Corps, of a Literacy Corps and a Central American Teachers Corps.

—Tc meet needs in higher education, U.S. Government scholarships should be raised to approximately 10,000 over 4–6 years, a level comparable to Cuban and Soviet Union efforts.

—Educational reform can also be encouraged in the areas of technical and

vocational education through the expansion of the International Executive Service Corps and through closer cooperation with Central American universities to improve the quality of education.

—Judicial systems in Central America can be strengthened by providing resources for training judges, judicial staff, and public prosecutors.

—Continuation and expansion of existing programs for disease control and eradication, as well as immunization and oral rehydration.

—Training of primary health workers, especially nurses, should be expanded and the means developed to integrate private and public financing of health services.

—Assistance programs should target the area's severe housing shortage.

—Training of public administrators required to improve public service.

—U.S. Government should provide more resources to meet critical problem of refugees and displaced persons—more than 1 million of them need help.

SECURITY ISSUES

—In El Salvador there are two separate conflicts: (1) between those seeking democratic reform and those seeking to retain their privileges; (2) between Marxist-Leninist guerrillas and those who oppose Marxism-Leninism.

—In discussing the latter we identify three general propositions about such guerrilla movements:

(1) They depend on external support. Without it they are unlikely to succeed.

(2) They develop their own momentum which reform alone cannot stop.

(3) Victorious, they create totalitarian regimes, even though they have enlisted support of democratic elements in order to project democratic, reformist image.

—External support comes from Soviet Union, Cuba, and now Nicaragua. Cuba has developed into a leading military power through Soviet assistance. Since Sandinista victory, Soviets have come around to support Cuban strategy of armed road to power in Central America.

—There are serious strategic implications for the United States in Soviet-Cuban support for armed insurgency in the region.

—Triumph of hostile forces there could require us to devote large resources to defend our southern approaches.

—This could mean either substantially increased defense burden for the United States or redeployment of forces to the detriment of our interests elsewhere.

—Threat to our shipping lanes in the Caribbean.

—Increased violence and dislocation in the area from which we could not isolate ourselves.

—Erosion of our power to influence events worldwide as we are perceived as unable to influence events close to home.

El Salvador

—The war is stalemated, a condition to the ultimate advantage of the guerrillas.

—U.S. military assistance is inadequate to permit modern, humane, and successful counterinsurgency.

—Commission recommends that the United States provide significantly increased levels of military assistance for greater mobility, more training, higher force levels, and more equipment.

—Assistance is to be conditioned through legislation on terminating death squads, progress toward democracy, and establishment of the rule of law.

—In Guatemala, such assistance should only be provided if the same terms are met.

—Increased military assistance also needed for Honduras to build a credible deterrent and to meet renewed efforts at insurgency.

—Commission concludes that U.S. security interests are importantly engaged in Central America. Larger program of military assistance needed, as well as expanded support for economic growth and social reform.

—Success will depend on an end to massive violations of human rights and the neutralization of external support for the insurgencies.

THE SEARCH FOR PEACE

—A successful U.S. political strategy in Central America requires resources to promote economic growth; vigorous efforts to advance democracy and reform; other inducements and penalties.

—General strategic objective of U.S. diplomacy in Central America should be to reduce the civil wars, national conflicts, and military preparations to Central American dimension.

—Specifically, we should seek to stop the war and killing in El Salvador. Create conditions under which Nicaragua becomes a peaceful and democratic member of the Central American community. And open the way for democratic development in all countries.

—Commission calls for negotiations in El Salvador between guerrillas and the government to be elected in March to establish conditions for later legislative and municipal elections in which all could participate: electoral commission with FMLN/FDR representation, cease-fire, and end to all violence; international observation of elections.

—Adequate economic and military assistance from the United States can help to achieve such a settlement.

—Commission believes military stalemate works against rather than for a political settlement based on the popular will.

—In Nicaragua, consolidation of a Marxist-Leninist regime would create a permanent security threat. Nicaragua's mainland location makes it a crucial stepping-stone to promote armed insurgency in Central America. Cuban personnel (2,000 military advisers and 6,000 civilian officials); several hundred Soviet, East European, Libyan, and PLO [Palestine Liberation Organization] advisers; extensive arms deliveries (13,000 tons in 1983) add an external dimension to the threat posed by Nicaragua to its neighbors.

—What gives the current situation its special urgency is the external threat posed by the Sandinista regime in Nicaragua; supported by Cuban military strength; backed by Soviet weapons, guidance, and diplomacy; and integrated into the Cuban network of intelligence and subversion.

—Central American leaders believe pluralistic political orders are essential to long-term security.

—An alternative would be an attempt at containment. But that would threaten militarization of the isthmus—the creation of garrison states. Democracy would wither. And the United States could find itself as surrogate policeman.

—Commission proposes comprehensive regional settlement based on:

(1) Respect for sovereignty and nonintervention.

(2) Verifiable commitments to nonaggression and an end to all attempts at subversion—covert or overt.

(3) Limitations on arms and sizes of armed forces. Prohibition of foreign forces, bases, and advisers.

(4) No military forces, bases or advisers of non-Central American countries would be permitted.

(5) Commitment to internal pluralism and free elections in all countries.

(6) Provision for verification of all agreements.

(7) Establishment of an intergovernment council to meet regularly to review compliance.

(8) Adherence to the overall agreement would be required for membership in the Central American Development Organization.

—The United States would support the agreement and provide assistance and would commit itself to respect results of elections within countries as long as principles of pluralism at home and restraint abroad observed.

—Commission's proposal based on and amplifies 21 points of the Contadora Group.

—Commission fully endorses Contadora efforts.

—Finally, majority of Commission opposes dismantling existing incentives and pressures for the regime in Managua to negotiate seriously.

—As for Cuba, Commission sees little possibility of separating it from Soviet Union. But the United States should be prepared to negotiate seriously if Cuba were to show itself prepared for genuine coexistence, dropping support for insurgency in Central America and revolutionary violence elsewhere in the world.

—As for Soviet Union, establishment of Soviet military base in Nicaragua is not the major concern. Before that could have happened, the crisis would have reached proportions not containable in Central American dimensions.

—There is little promise in negotiating with the Soviet Union over Central America. Soviets would seek to cast such negotiations in terms of sphere of influence, an unacceptable concept for the United States.

APPENDIX B: Legislative Update

1984 Authorization

At the request of the Administration, legislation embodying the President's Central America Democracy, Peace, and Development Initiative (the Central American initiative) for FY 1984 through 1989 was introduced in the House of Representatives on February 21, 1984 (H.R. 4874) by Representative Dante Fascell (D-FL), Chairman of the House Foreign Affairs Committee, and in the Senate on February 27 (S. 2347) by Senator Charles Percy (R-IL), Chairman of the Senate Foreign Relations Committee.

Each committee sought to act expeditiously on the proposals by including them as part of the FY 1985 worldwide foreign assistance bill, the International Security and Development Cooperation Act of 1984 (H.R. 5119). Because of internal disagreements, the House Foreign Affairs Committee removed the Central American section from the foreign aid bill when the committee reported the legislation to the House of Representatives on March 15. On May 10, the House adopted by a vote of 211-208 an amendment to H.R. 5119 proposed by Representatives William Broomfield (R-MI) and John Murtha (D-PA) which contained most of the President's proposals for FY 1984 and 1985. H.R. 5119, containing the Central American initiatives, was then approved by the House.

In the Senate, neither the initiative nor the FY 1985 foreign aid bill reached the floor for consideration. On April 11, the Senate Foreign Relations Committee voted out the foreign assistance legislation (S. 2582), but an amendment by Senator Mathias (R-MD) incorporating much of the Central American proposal failed on a tie vote.

The Senate did not act on S. 2582 before adjourning on October 12. End-of-session efforts by both authorization committees to attach the foreign aid authorization bill, including the Central American initiative, to the Continuing Resolution failed in the appropriations conference for procedural reasons. However, authorization for the trade credit insurance program was included in the Continuing Resolution (P.L. 98-473).

1984 Appropriations

Initial funding for the Central American initiative was approved by the Congress in 1984 in the Supplemental Appropriations Act for 1984 (P.L. 98-396) and in the FY 1985 Continuing Resolution (P.L. 98-473).

The President sent to Congress on February 21 a request for legislation to provide supplemental appropriations for FY 1984, including $659 million in economic and military assistance for Central America. The House Appropriations Committee reported the Supplemental Appropriations Act for 1984 (H.R. 6040) on July 27. This bill, passed by the full House on August 1, did not provide any military assistance for El Salvador and reduced overall funding for Central America to $156 million. The House approved this funding level and passed the bill on August 1.

On August 2, in its version of H.R. 6040, the Senate Appropriations Committee adopted and reported the full FY 1984 supplemental funding levels requested for Central America. On August 8, the full Senate approved the President's request.

The House-Senate conference on the bill filed its report on August 10 with Central American funding unresolved. The impasse was broken the same day when the House adopted by a vote of 234-161 an amendment by Representatives Jack Kemp (R-NY) and John Murtha (D-PA) to restore most of the Administration's request. The Senate then accepted the House position, also on August 10.

Presidential signature of the bill (P.L. 98-396) on August 22 enabled the Administration to obtain $510 million for the implementation of Commission recommendations. Combined with $61.75 million in emergency military assistance for El Salvador that the Congress provided earlier in the Supplemental Appropriations Act for the Department of Agriculture for 1984 (P.L. 98-322), the Administration in 1984 received $571.75 million of the President's original supplemental request of $659 million for Central America.

The FY 1985 Continuing Resolution (P.L. 98-473), enacted on October 12, contained additional funding for Central America. In the Continuing Resolution, the Congress approved almost all of the funds requested by the Administration for FY 1985 in support of the Commission recommendations. Of a request for $1,030 million for economic assistance and $262 million for military assistance, the amounts appropriated were $979 million and $237 million, respectively.

1985 Legislation

The Central America Democracy, Peace, and Development Initiative is contained in Title IV of the Administration's proposed International Security and Development Cooperation Act of 1985, transmitted to the Congress on March 7 and introduced in the Senate (S. 660) on March 14 by Senator Richard Lugar (R-IN), Chairman of the Senate Foreign Relations Committee, and in the House on March 19 by Representative Dante Fascell (D-FL), Chairman of the House Foreign Affairs Committee. The legislative proposal retains the principal elements of the 1984 authorization bill, including multiyear, nonmilitary authorization and authorities for economic assistance coordination, administration of justice, and land reform.

The Administration's request for FY 1986 appropriations for Central America is for a total of $1,053 million in economic assistance and $261 million in military assistance. Congressional consideration of these proposals began in mid-March. The proposed initiative establishes a long-term framework to build democracy, restore peace, and improve living conditions in Central America and authorizes nonmilitary assistance for FY 1987-89. The bill contains amendments to the Foreign Assistance Act in order to carry out a number of the recommendations of the National Bipartisan Commission on Central America.

Section 401: Central America Democracy, Peace, and Development Initiative. This section amends Part I of the Foreign Assistance Act by adding a new chapter 6 entitled "Central America Democracy, Peace, and Development Initiative." The chapter contains six sections (sections 461-466) which include a statement of policy, the conditions imposed on the furnishing of assistance, the authorization for the establishment of an organization to promote cooperation in economic development among the countries of Central America and the United States, and a multiyear authorization of nonmilitary assistance funds.

Section 461 of the proposed chapter contains the findings of Congress that the building of democracy, the restoration of peace, and the improvement of living conditions in Central America are important to the interests of the United States and the community of American states. The section also stresses the importance of dealing effectively with the interrelated social, humanitarian, economic, political, diplomatic, and security issues to assure a democratic and economically and politically secure Central America. Congress further recognizes that, although the achievement of democracy, human rights, peace, and equitable economic growth depends primarily on the people and governments of Central America, the United States can make a significant contribution through a policy that includes a long-term commitment of both economic and military assistance.

Section 462 provides that the President ensure that the assistance authorized by this chapter is furnished in a manner that fosters demonstrated progress and commitment to the objectives set forth in section 461. In doing so, the President under this section would consult with Congress on progress toward those objectives and on conditions imposed on the furnishing of assistance.

Section 463 is a statement of support for the initiatives taken by the Contadora Group and the September 1983 Document of Objectives agreed to by the nine countries involved and affirms that the United States should provide assistance and support as may be appropriate in helping to reach agreements which will ensure peaceful and enduring solutions to the Central American conflicts.

Section 464 states the finding by Congress that the participation of the United States and Central American countries in an effective forum for continuous review an advancement of Central America's political, economic, and social development would further the purposes of the Foreign Assistance Act. This section further states the sense of Congress that the President enter into negotiations with representatives of Central American countries to establish an organization for economic cooperation based upon principles stated in the section. This section then authorizes the President to participate in such an organization, with the Administrator of the Agency for International Development as the U.S. representative.

This organization is not intended to be a bureaucratic entity in competition with bilateral or multilateral donor organizations. The organization should be composed of public and private sector representatives from participating countries and should draw on the experience of the International Labor Organization in joining together representatives from business, labor, and government. The number of professional staff of the organization should be kept to a minimum.

Section 465 contains a multiyear authorization for the furnishing of nonmilitary assistance for Central American countries for each of the fiscal years 1987-89.

Section 466 provides that for purposes of this chapter, the term "Central American countries" includes Belize, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, Panama, and regional programs which benefit those countries.

Section 402: Administration of Justice. In accordance with the recommendations of the Commission that the United States help strengthen judicial systems and that Congress consider authorizing the training and support of law enforcement agencies under carefully defined conditions, this section authorizes the use of funds made available for economic assistance programs for projects designed to strengthen the administration of justice in Latin American and Caribbean countries. These projects would include activities for judges, prosecutors, and criminal investigation agencies.

Section 403: Land Reform Programs. This section amends Section 620(g) of the Foreign Assistance Act to authorize the President to make available to governments assistance to compensate their nationals in accordance with a land reform program, if the President determines that monetary assistance for such land reform will further the national interests of the United States.

APPENDIX C:
Foreign Assistance for Central America: FY 1983, 1984, 1984 Supplementals, and 1985; FY 1986 Request[1]

$ millions

	Economic Assistance				*Military Assistance*			
	ESF	Development Assistance	PL 480	TOTAL	MAP	FMS	IMET	TOTAL
Belize								
1983	10.0	6.7	0.0	16.7	0.0	0.0	0.066	0.066
1984	0.0	3.9	0.0	3.9	0.5	0.0	0.049	0.549
1984 supplemental	10.0	1.4	0.0	11.4	0.0	0.0	0.000	0.000
1985	4.0	6.0	0.0	10.0	0.5	0.0	0.075	0.575
1986 request	4.0	6.8	0.0	10.8	1.0	0.0	0.100	1.100
Costa Rica								
1983	157.0	27.2	28.2	212.4	2.5	0.0	0.125	2.625
1984	70.0	15.0	22.5	107.5	2.0	0.0	0.133	2.133
1984 supplemental	60.0	6.2	0.0	66.2	7.0	0.0	0.000	7.000
1985	160.0	13.8	28.0	201.8	9.0	0.0	0.200	9.200
1986 request	150.0	14.4	23.0	187.4	2.5	0.0	0.225	2.725
El Salvador								
1983	140.0	58.8	43.1	241.9	33.5	46.5	1.300	81.300
1984	120.2	41.1	51.1	212.4	45.0	18.5	1.300	64.800
1984 supplementals	90.2	23.3	0.0	113.3	131.75	0.0	0.000	131.750
1985	195.0	69.7	46.0	310.7	111.8	15.0	1.500	128.300
1986 request	210.0	89.8	50.8	350.6	131.0	0.0	1.600	132.600
Guatemala								
1983	10.0	12.2	4.4	26.6	0.0	0.0	0.000	0.000
1984	0.0	4.4	11.6	16.0	0.0	0.0	0.000	0.000
1984 supplemental	0.0	16.6	0.0	16.6	0.0	0.0	0.000	0.000
1985	12.5	40.1	20.4	73.0	0.0	0.0	0.300	0.300
1986 request	25.0	33.0	19.0	77.0	0.0	10.0	0.300	10.300
Honduras								
1983	56.0	31.2	14.0	101.2	27.5	9.0	0.796	37.296
1984	40.0	31.0	19.3	90.3	40.0	0.0	0.940	40.940
1984 supplemental	72.5	7.3	0.0	79.8	36.5	0.0	0.000	36.500
1985	75.0	41.5	18.4	134.9	61.3	0.0	1.100	62.400
1986 request	80.0	45.0	18.0	143.0	87.0	0.0	1.250	88.250
Panama								
1983	0.0	6.2	1.0	7.2	0.0	5.0	0.450	5.450
1984	0.0	10.7	1.0	11.7	0.0	5.0	0.500	5.500
1984 supplemental	30.0	4.0	0.0	34.0	8.0	0.0	0.000	8.000
1985	20.0	20.0	0.0	40.0	10.0	0.0	0.600	10.600
1986 request	40.0	22.6	0.0	62.6	14.4	4.0	0.650	19.050
Regional Programs								
1983	0.0	19.4	NA[2]	19.4	NA	NA	5.325	5.325
1984	0.0	15.5	NA	15.5	NA	NA	5.294	5.294
1984 supplemental	28.0	9.2	NA	37.2	18.5	NA	0.000	18.500
1985	70.0	51.7	NA	121.7	20.0	NA	5.500	25.500
1986 request	91.5	57.0	NA	148.5	0.0	NA	6.500	6.500
Central America Total								
1983	373.0	161.7	90.7	625.4	63.5	60.5	8.062	132.062
1984	230.2	121.6	105.5	457.3	87.5	23.5	8.216	119.216
1984 supplementals	290.5	68.0	0.0	358.5	201.75	0.0	0.000	201.750
1985	536.5	242.8	112.8	892.1	212.6	15.0	9.275	236.875
1986 request	600.5	268.6	110.8	979.9	235.9	14.0	10.625	260.525

[1]In addition, State Department, Peace Corps, and USIA programs included in the Central America initiative total $11.5 million (1984 supplemental), $86.6 million (1985), and $72.7 million (1986 request).
[2]Not applicable

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April 1985

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CONTENTS

2 **Introduction**

2 **The Contadora Framework**
2 Contadora Document of Objectives, September 9, 1983

3 **Nicaraguan Calls for Dialogue**
3 Pastoral Letter on Reconciliation From the Nicaraguan Bishops, April 22, 1984
4 Statement of the *Coordinadora Democratica Nicaraguense*, February 22, 1985
5 Document on National Dialogue of the Nicaraguan Resistance, March 1, 1985
6 Communique of the Nicaraguan Episcopal Conference, March 22, 1985

7 **President Reagan's Proposal**
7 Remarks by President Reagan, April 4, 1985

8 **Initial Regional Support**
8 President Duarte of El Salvador, April 4, 1985
8 President Betancur of Colombia, April 5 and 7, 1985
8 President Suazo of Honduras, April 8, 1985
9 President de la Madrid of Mexico, April 8, 1985
9 President Barletta of Panama, April 10, 1985
9 President Lusinchi of Venezuela, April 10, 1985
9 President Febres Cordero of Ecuador, April 10, 1985
9 President Monge of Costa Rica, April 10, 1985
9 President Alfonsin of Argentina, April 11, 1985

9 **Chronology**

10 **Additional References**

Introduction

The Contadora process had as one of its agreed objectives "to promote national reconciliation efforts wherever deep divisions have taken place within society, with a view to fostering participation in democratic political processes." Nicaragua is one of the signatories.

An internal dialogue to promote national reconciliation has been a central feature of President Duarte's policy in El Salvador, where four competitive nationwide elections have been held in 3 years.

The establishment of an effective dialogue for national reconciliation has been a critical necessity in Nicaragua ever since the failure to establish a working democracy, perhaps the fundamental objective of the revolution against the Somoza dictatorship.

This special report provides basic documentation concerning the Nicaraguan peace process, including the Contadora framework, the proposals of the Nicaraguan Catholic bishops and the various opposition groups, and the positions taken since by President Reagan and leaders in the region itself.

The Contadora Framework

The Contadora negotiations involve five Central American countries (Costa Rica, El Salvador, Guatemala, Honduras, and Nicaragua) and the four members of the Contadora Group (Colombia, Mexico, Panama, and Venezuela).

The text of the basic negotiating objectives agreed to by all nine Contadora countries is reprinted below. Three of the 21 objectives deal with the centrality of democracy and internal reconciliation to the resolution of conflict in Central America.

Contadora Document of Objectives[1]

Considering:

The situation prevailing in Central America, which is characterized by an atmosphere of tension that threatens security and peaceful coexistence in the region, and which requires, for its solution, observance of the principles of international law governing the actions of States, especially:

[1]Emphases added.

The self-determination of peoples;

Non-intervention;

The sovereign equality of States;

The peaceful settlement of disputes;

Refraining from the threat or use of force;

Respect of the territorial integrity of States;

Pluralism in its various manifestations;

Full support for democratic institutions;

The promotion of social justice;

International co-operation for development;

Respect for and promotion of human rights;

The prohibition of terrorism and subversion;

We want to help opposition groups join the political process in all countries and compete by ballots instead of bullets.

President Reagan, April 27, 1983

The desire to reconstruct the Central American homeland through progressive integration of its economic, legal and social institutions;

The need for economic co-operation among the States of Central America so as to make a fundamental contribution to the development of their peoples and the strengthening of their independence;

The undertaking to establish, promote or revitalize representative, democratic systems in all the countries of the region;

The unjust economic, social and political structures which exacerbate the conflicts in Central America;

The urgent need to put an end to the tensions and lay the foundations for understanding and solidarity among the countries of the area;

The arms race and the growing arms traffic in Central America, which aggravate political relations in the region and divert economic resources that could be used for development;

The presence of foreign advisers and other forms of foreign military interference in the zone;

The risks that the territory of Central American States may be used for the purpose of conducting military operations and pursuing policies of destabilization against others;

The need for concerted political efforts in order to encourage dialogue and understanding in Central America, avert the danger of a general spreading of the conflicts, and set in motion the machinery needed to ensure the peaceful coexistence and security of their peoples;

Declare their intention of achieving the following objectives:

To promote detente and put an end to situations of conflict in the area, restraining from taking any action that might jeopardize political confidence or obstruct the achievement of peace, security and stability in the region;

To ensure strict compliance with the aforementioned principles of international law, whose violators will be held accountable;

To respect and ensure the exercise of human, political, civil, economic, social, religious and cultural rights;

To adopt measures conducive to the establishment and, where appropriate, improvement of democratic, representative and pluralistic systems that will guarantee effective popular participation in the decision-making process and ensure that the various currents of opinion have free access to fair and regular elections based on the full observance of citizens' rights;

To promote national reconciliation efforts wherever deep divisions have taken place within society, with a view to fostering participation in democratic political processes in accordance with the law;

To create political conditions intended to ensure the international security, integrity and sovereignty of the State of the region;

To stop the arms race in all its forms and begin negotiations for the control and reduction of current stocks of weapons and on the number of armed troops;

To prevent the installation on their territory of foreign military bases or any other type of foreign military interference;

To conclude agreements to reduce the presence of foreign military advisers and other foreign elements involved in military and security activities, with a view to their elimination;

To establish internal control machinery to prevent the traffic in arms from the territory of any country in the region to the territory of another;

To eliminate the traffic in arms, whether within the region or from outside it, intended for persons, organiza-

tions or groups seeking to destabilize the Governments of Central American countries;

To prevent the use of their own territory by persons, organizations or groups seeking to destabilize the Governments of Central American countries and to refuse to provide them with or permit them to receive military or logistical support;

To refrain from inciting or supporting acts of terrorism, subversion or sabotage in the countries in the area;

To establish and co-ordinate direct communication systems with a view to preventing or, where appropriate, settling incidents between States of the region;

To continue humanitarian aid aimed at helping Central American refugees who have been displaced from their countries of origin, and to create suitable conditions for the voluntary repatriation of such refugees, in consultation with or with the co-operation of the United Nations High Commissioner for Refugees (UNHCR) and other international agencies deemed appropriate;

To undertake economic and social development programs with the aim of promoting well being and an equitable distribution of wealth;

To revitalize and restore economic integration machinery in order to attain sustained development on the basis of solidarity and mutual advance;

To negotiate the provision of external monetary resources which will provide additional means of financing the resumption of intra-regional trade, meet the serious balance-of-payments problems, attract funds for working capital, support programs to extend and restructure production systems and promote medium- and long-term investment projects;

To negotiate better and broader access to international markets in order to increase the volume of trade between the countries of Central America and the rest of the world, particularly the industrialized countries; by means of a revision of trade practices, the elimination of tariff and other barriers, and the achievement of the price stability at a profitable and fair level for the products exported by the countries of the region;

To establish technical co-operation machinery for the planning, programming and implementation of multisectoral investment and trade promotion projects.

The Ministers for Foreign Affairs of the Central American countries, with the participation of the countries in the Contadora Group, have begun negotiations with the aim of preparing for the conclusion of the agreements and the establishment of machinery necessary to formalize and develop the objectives contained in this document, and to bring about the establishment of appropriate verification of monitoring systems. To that end, account will be taken of the initiatives put forward at the meetings convened by the Contadora Group.

Panama City, 9 September 1983

Nicaraguan Calls for Dialogue

The peace process in Nicaragua is framed by the four documents excerpted below.

The Nicaraguan bishops' 1984 Easter Pastoral took stock of the worsening conflict inside Nicaragua and its spillover into neighboring countries in Central America. The bishops called for a dialogue among "all Nicaraguans inside and outside the country . . . [including] Nicaraguans who have taken up arms against the government."

After the elections of November 4, 1984, had failed to provide either free competition or reconciliation, the internal political resistance—in a February statement issued by the *Coordinadora Democratica Nicaraguense*—reaffirmed its interest in genuine dialogue.

If Managua proves responsive to serious negotiations, hopeful vistas open up for the beleaguered peoples of Central America, including those of Nicaragua. . . . We prefer to resolve the conflicts in the region peacefully.

National Bipartisan Commission on Central America, January 10, 1984

While some resistance leaders, notably Sandinista hero Eden Pastora, continued to stress the need for armed struggle as the only way to end the betrayal of the revolution to the Soviet Union and Cuba, important leaders from both the political and the armed resistance came together to call for dialogue in a joint statement signed in San Jose, Costa Rica, on March 1, 1985.

On March 22, the Bishops' Council then reemphasized its availability to mediate among all Nicaraguans without exception or favoritism.

Pastoral Letter on Reconciliation From the Nicaraguan Bishops, April 22, 1984

To the priests and deacons in our dioceses:
To members of religious orders:
To catechists and bearers of the Word:
To our brothers and sisters in the apostolic lay movements:
To principals, teachers, and students in Catholic schools:
To all our beloved faithful:

Grace and peace from God our Father and Jesus Christ our Lord.

Dear brothers and sisters:

At this solemn Easter celebration, the ultimate expression of God's love for mankind through the redemption, we invite you to share more fully in the spiritual wealth of the Holy Year, which will be extended in Nicaragua by a special concession from Pope John Paul II until June 17, 1984, the feast of the Holy Trinity.

This extension and the urgent need in our society for sincere and brotherly reconciliation through individual conversion have moved us to send you this exhortation. . . .

II. Our Situation

1. The Problem of Sin in the World

Pope John Paul II, in his message for the 17th World Day of Prayer for Peace on January 1, 1984, expressed his concern about the current world situation, a concern which we, too, share: "Peace is truly precarious, and injustice abounds. Relentless warfare is occurring in many countries, continuing on and on despite the proliferation of deaths, mourning, and destruction, without any apparent progress toward a solution. It is often the innocent who suffer, while passions become inflamed and there is the risk that fear will lead to an extreme situation."

2. In Nicaragua

A. Belligerent Situation:

Our country, too, is plagued by a belligerent situation pitting Nicaraguan against Nicaraguan, and the consequences of this situation could not be sadder:

- Many Nicaraguan youths and men are dying on the battlefields.
- Many others look toward the future with the fear of seeing their own lives prematurely ended.
- A materialistic and atheistic educational system is undermining the consciences of our children.
- Many families are divided by political differences.
- The suffering of mothers who have lost their children, which should merit our great respect, is instead exploited to incite hatred and feed the desire for vengeance.
- Farmworkers and Indians, for whom the Church reserves a special love, are suffering, living in constant anxiety, and many of them are forced to abandon their homes in search of a peace and tranquility that they do not find.
- Some of the mass media, using the language of hate, encourage a spirit of violence.

B. The Church:

One, albeit small, sector of our Church has abandoned ecclesiastical unity and surrendered to the tenets of a materialistic ideology. This sector sows confusion inside and outside Nicaragua through a campaign extolling its own ideas and defaming the legitimate pastors and the faithful who follow them. Censorship of the media makes it impossible to clarify the positions and offer other points of view.

3. Foreign interference

Foreign powers take advantage of our situation to encourage economic and ideological exploitation. They see us as support for their power, without respect for our persons, our history, our culture, and our right to decide our own destiny.

Consequently, the majority of the Nicaraguan people live in fear of their present and uncertainty of their future. They feel deep frustration, clamor for peace and freedom. Yet their voices are not heard, muted by belligerent propaganda on all sides. . . .

III. Response of the Church

1. Conversion and Reconciliation. . . .

2. Confession: the path to conversion. . . .

3. Dialogue:

The road to social peace is possible through dialogue, sincere dialogue that seeks truth and goodness. "That [dialogue] must be a meaningful and generous offer of a meeting of good intentions and not a possible justification for continuing to foment dissension and violence." (John Paul II, Greeting to Nicaragua, March 4, 1983)

If we do not sit down to talk, to try to find solutions to our problems in civilized ways, with talks . . . the flow of blood will continue. . . .

Archbishop of Managua
Obando y Bravo,
April 7, 1985

It is dishonest to constantly blame internal agression and violence on foreign agression.

It is useless to blame the evil past for everything without recognizing the problems of the present.

All Nicaraguans inside and outside the country must participate in this dialogue, regardless of ideology, class, or partisan belief. Furthermore, we think that Nicaraguans who have taken up arms against the Government must also participate in this dialogue. If not, there will be no possibility of a settlement, and our people, especially the poorest among them, will continue to suffer and die.

The dialogue of which we speak is not a tactical truce to strengthen positions for further struggle but a sincere effort to seek appropriate solutions to the anguish, pain, exhaustion, and fatigue of the many, many people who long for peace, the many, many people who want to live, to rise from the ashes, to see the warmth of a smile on a child's face, far from terror, in a climate of democratic harmony.

The terrible chain of reactions inherent in friend-enemy dialectics is halted by the word of God, who demands that we love even our enemies and that we forgive them. He urges us to move from distrust and aggressiveness to respect and harmony, in a climate conducive to true and objective deliberation on our problems and a prudent search for solutions. The solution is reconciliation (cf. John Paul II, Peace and Reconciliation. Address by the Pope in El Salvador, March 6, 1983).

If we are not open to objective acknowledgement of our situation and the events that distress our people ideologically, politically, and militarily, then we are not prepared, in a true and Christian way, for reconciliation for the sake of the real, living wholeness of our nation.

Considering that freedom of speech is a vital part of the dignity of a human being, and as such is indispensable to the well-being of the nation inasmuch as a country progresses only when there is freedom to generate new ideas, the right to free expression of one's ideas must be recognized.

The great powers, which are involved in this problem for ideological or economic reasons, must leave the Nicaraguans free from coercion. . . .

Done at Managua, April 22, Easter Sunday, 1984 (to be read and published in the usual manner), Episcopal Conference of Nicaragua.

Pablo A. Vega
Bishop of Juigalpa
President

Miguel Obando Bravo
Archbishop of Managua

Leovigildo Lopez Fitoria
Bishop of Granada

Salvador Schlaeffer B.
Bishop of Bluefields

Pedro L. Vilchez V.
Prelate of Jinotega

Bosco Vivas Robelo
Assistant Bishop of Managua
Secretary

Julian Barni
Bishop of Leon

Ruben Lopez Ardon
Bishop of Esteli

Carlos Santi
Bishop of Matagalpa

Statement of the *Coordinadora Democratica Nicaraguense*, February 22, 1985

The *Coordinadora Democratica Nicaraguense* (Nicaraguan Democratic Coordinating Board) wishes to make the following known to the people of Nicaragua and the free peoples of the world:

The situation in Nicaragua is deteriorating daily and has reached a state of true anguish. The people are suffering because there is a shortage of food and the salaries are low; there is no work, no medicine, no gasoline, no candles, no toilet paper, no toothpaste, no spare parts. The people are suffering because their children are receiving an education that can be more accurately described as Marxist-Leninist political indoctrination. Day and night, young people live with the fear that they will be unexpectedly detained and sent to perform military service in which they do not believe because it is identified with the interests of the party. Consequently, some choose to leave Nicaragua and others join the ranks of the armed resistance.

Just as our 1978–79 civil war was basically the result of the political intransigence of the Somoza dictatorship, the current civil war, and most of the other evils afflicting the Nicaraguan people, are basically the result of the intransigence of the FSLN [Sandinista National Liberation Front], which has adopted a Marxist-Leninist program and departed from the original plan. Approximately six years under the FSLN government have shown that it has not, to date, brought about liberation, as its name suggests, but rather burdens and subjugation.

. . . A successful solution will not be attained piecemeal or through separate dialogues involving the government and the farmers, the government and the cattle ranchers, or the government and the labor sector or even from dialogues with foreign governments. A comprehensive, fundamental solution [could] come about through a consensus between all Nicaraguans on a political, social, economic, moral, and human program for a new Nicaragua based on democracy sustained in freedom.

. . . We know that the number of citizens who no longer expect anything from such a civilized solution is continually growing because previous attempts at dialogue have shown that when the FSLN suggests such a course of action it is doing so, not with the honest desire to negotiate, but rather for the sole purpose of simulating democratic forms of government for foreign consumption. Nevertheless, we believe that there is still a way to bring about the honest, sincere, and effective dialogue that we are seeking and we suggest that the most promising way to bring it about would be to have it convoked, organized, and coordinated by the Episcopal Conference of Nicaragua. It shares the people's suffering and their yearning for freedom, which has strengthened its moral authority, and it enjoys the absolute confidence of all sectors.

We therefore respectfully invite the Episcopal Conference of Nicaragua to convoke such a dialogue without delay, providing for the representation of all Nicaraguans. In addition we request of the bishops that the dialogue sponsored by them be attended by guarantors whose presence would endorse the commitments made to the Nicaraguan people.

An honest desire to hold such a dialogue should be demonstrated in advance by halting armed actions and lifting the state of emergency for a reasonable period of time during which the dialogue should produce results; through a decree providing for general amnesty as well as complete and effective pardons; and through absolute respect for freedom of expressions, association, and assembly, as well as the rights set forth in the laws on amparo and habeas corpus. . . .

The anguish, the misery, the uncertainty, and the frustration of the Nicaraguan people all call for national dialogue. Let us heed that call.

Document on National Dialogue of the Nicaraguan Resistance, March 1, 1985

We, democratic citizens, representatives of all sectors of the Nicaraguan Resistance, announce to the Nicaraguan people, to the governments and peoples of the Americas and of the world, the following manifesto:

The Present Situation of Nicaragua

In recent years, the Sandinista Front has submerged our people in a crisis without precedent in our national history.

At this time, the impact of this crisis is evident in the economic, political, social and moral spheres of the nation.

This situation is rooted both in the abandonment of the original Program of Government and the Fundamental Statute as well as in the interference of the Soviet bloc in our internal affairs. . . .

The solution to the national crisis can only be found through a genuine understanding among all Nicaraguans that might end the civil war and lead to the reconciliation of the Nicaraguan family.

The proposal [of the opposition, issued on March 1] offers more than a chance for national reconciliation. It lets Nicaraguans remove their fate from foreign hands and restore it to Nicaraguan hands alone.

***Washington Post* Editorial, March 17, 1985**

Members of the *Coordinadora Democratica Nicaraguense*

CTN:	*Central de los Trabajadores Nicaraguenses* (Nicaraguan Workers Central)
CUS:	*Confederacion de la Unidad Sindical* (Confederation of Labor Unity)
PLC:	*Partido Liberal Constitucionalista* (Liberal Constitutionalist Party)
PSD:	*Partido Social Democratico* (Social Democratic Party)
COSEP:	*Consejo Superior de la Empresa Privada* (Superior Private Enterprise Council)
PSC:	*Partido Social Cristano* (Social Christian Party)

We wish to emphasize that this initiative is not taken to search for a quota of power, but rather it seeks only to establish in Nicaragua the rule of law which will permit the people to live in peace and to go about resolving our problems within a new constitutional order. . . .

Therefore, in view of the gravity of the moment, and conscious of our civic responsibilities and of the urgent need to save our people from greater suffering, we accept the call of the Nicaraguan Democratic Coordinating Board and exhort the Sandinista Front, for the last time, and in definitive and absolute fashion, to participate in a national dialogue which will end the national crisis. This dialogue should follow these modalities:

Convocation

The Nicaraguan Bishops Conference is the entity with the necessary moral authority to organize and coordinate the national dialogue. In this regard, we reiterate the petition made to it by the Democratic Coordinating Board to convene the national dialogue.

Participants

In order that the dialogue be efficient and produce the desired results, it is necessary to structure it in accordance with Nicaraguan reality. There are two political tendencies in Nicaragua: the totalitarian one which for the moment has accepted the Sandinista Front as its vanguard, and the democratic one which is divided into armed organizations and civilian organizations; therefore, the dialogue should be between these two political tendencies so that both can name their respective delegates, as many as the Bishops Conference feels is appropriate.

Observers and Guarantors

We suggest to the Bishops Conference that it request the participation of the Central American governments in the dialogue as guarantors of the agreements which may be reached, given the fact that our fellow Central Americans are, in the final analysis, those which have been most directly affected by the Nicaraguan crisis.

The presence of these governments as guarantors in no way hinders the presence as observers or even as guarantors of other governments and democratic entities of the American continent.

Minimum Requirements

We support fully the minimum requirements demanded by the Democratic Coordinating Board in order to initiate the national dialogue. They are: suspension of armed activities, with a ceasefire *in situ*; lifting of the state of emergency; absolute freedom of expression and assembly; general amnesty and pardon for political crimes and related crimes; entry into effect of the right of protective legal procedure (amparo) and *habeas corpus*, adding the granting of full protection of the physical and moral integrity of those members of the resistance who participate in the dialogue, in the event that it should take place in Nicaragua.

The application of these measures should be carried out under the supervision of the guarantor governments.

Wide possibilities are opening up for a political solution with the participation of all the sectors of the Nicaraguan population. The example that President Jose Napoleon Duarte gave when he accepted dialogue in El Salvador is relevant to the current Nicaraguan picture.

Carlos Andres Perez,
Vice President of the Socialist International and former President of Venezuela,
January 6, 1985

Temporary Permanence of the Executive

If this dialogue is carried out, we pledge to accept that Mr. Daniel Ortega continue acting as head of the Executive Branch until such time as the people pronounce themselves in a plebiscite. During this period, Mr. Ortega should govern in fulfillment of the promises of the Nicaraguan Revolutionary Government Junta contained in the document of July 12, 1979 transmitted to the Secretary General of the Organization of American States, and in fulfillment of the original Program of Government, the Fundamental Statute and the American Human Rights Convention or Pact of San Jose. . . .

Initiation of the National Dialogue, Instrumentation and Deadlines

In order to carry out the national dialogue proposed by the Democratic Coordinating Board, on the basis of the statements contained in this document, and conscious of the Leninist tactic of stalling in order to consolidate the totalitarian program of the Sandinista Front, said dialogue must begin by March 20, 1985. This date cannot be postponed. If by April 20, 1985 the national dialogue has not begun or has not progressed in clear and substantial form, it will be definitely suspended by the Nicaraguan Resistance, thereby terminating the possibilities for a peaceful resolution of the national crisis.

If the Nicaraguan Bishops Conference considers it useful to hold conversations with this group for purposes of preparations leading to the speedy realization of the dialogue, we announce our immediate availability to participate in such conversations. To that end we appoint as our representatives Messrs. Arturo J. Cruz, Alfonso Robelo and Adolfo Calero.

May love for our fatherland overcome selfishness and foreign involvement, so that the National Directorate of the Sandinista Front will respond positively to this our last effort to grant to our country a civilized solution.

God Save Nicaragua!

[Signed in San Jose, Costa Rica, March 1, 1985, by Arturo J. Cruz, Alfonso Robelo, Adolfo Calero P., Fernando Chamorro, Pedro J. Chamorro, Fernando Aguero, Indalecio Rodriguez, Carlos Coronel Kautz, Leonel Poveda S., Claudio Picasso, Jose Luis Velasquez, Benjamin Gallo Lacayo, Jaime Morales C., Zacarias Hernandez, Jose Molina, Ulises Fonseca, Felix P. Pastora G., Federico Arguello S., Donald Lacayo N., Jairo Sanchez, Luz Marina Smith.]

Communique of the Nicaraguan Episcopal Conference, March 22, 1985

The bishops of the Nicaraguan Episcopal Conference after holding a regular meeting at our Episcopal House in Managua to meditate, in light of the Gospel, on the painful current situation in Nicaragua, wish to inform our faithful people and all men of good will of the following:

1. We bishops feel as our own the pain and suffering of all Nicaraguans, without any exceptions.

2. While we pray to our Lord Jesus Christ and to his Holy Mother for our brothers in the countryside and in the cities, we would like to cooperate, on the basis of our pastoral mission as conciliators, in seeking solutions to put an end to so much pain and so many tears.

3. It should be understood that this line of pastoral concern should include all our meetings or talks, be it with the Nicaraguan Government, or with any other person or organized sector in Nicaragua.

4. We feel that under the current circumstances, everything stated in our pastoral letter of 22 April 1984 is still valid, particularly in relation to the dialogue as the path toward conciliation.

5. Under the conviction that violence will never solve a problem from its roots, we express our willingness to mediate in an internal dialogue, as long as the following points are clear:

A. The church cannot impose a dialogue.

B. A dialogue must be accepted by both sides.

C. Our stance must not be interpreted as a political position in favor of a specific party or ideology.

We urge Catholic Church members to work hard at becoming promoters of peace and conciliation in their homes, and we urge our brothers suffering in one way or the other to share their pain with Jesus Christ, in order to obtain forgiveness and achieve harmony among Nicaraguans.

[Signed in Managua by Msgr. Bosco Vivas Robelo, Managua's Auxiliary Bishop and Secretary of the Nicaraguan Episcopal Conference.]

President Reagan's Proposal

"In a sincere effort to start a dialogue aimed at true internal reconciliation which can bring peace and liberty to Nicaragua" (Radio address April 6, 1985), President Reagan on April 4, 1985, added his prestige to the building Nicaraguan peace process.

The President's proposal made clear that because U.S. support for the Nicaraguan resistance had peace and democracy as its priority objectives, that support would be treated as part of the peace process.

Remarks by President Reagan, April 4, 1985

I want to announce today a proposal for peace in Central America that can enable liberty and democracy to prevail in this troubled region and that can protect the security of our own borders, economy, and people.

On March 1 in San Jose, Costa Rica, the leaders of the Nicaraguan democratic resistance met with a broad coalition of other exiled Nicaraguan democrats. They agreed upon and signed a historic proposal to restore peace and democracy in their country. The members of the democratic resistance offered a cease-fire in return for an agreement by the Nicaraguan regime to begin a dialogue mediated by the Bishops' Conference of the Roman Catholic Church with the goal of restoring democracy through honest elections. To date, the Nicaraguan regime has refused this offer.

What matters is the commitment to democratic institutions governed by regular popular elections. Unlike the guerrillas in El Salvador, we are not demanding power, we are demanding only our rights. . . . we want a constitutional solution.

Arturo Cruz, Sr. and Jr., March 18, 1985

The Central American countries, including Nicaragua, have agreed that internal reconciliation is indispensable to regional peace. But we know that, unlike President Duarte of El Salvador who seeks a dialogue with his opponents, the communists in Nicaragua have turned, at least up until now, a cold shoulder to appeals for national reconciliation from the Pope and the Nicaraguan bishops. And we know that without incentives, none of this will change.

For these reasons, great numbers of Nicaraguans are demanding change and taking up arms to fight for the stolen promise of freedom and democracy. Over 15,000 farmers, small merchants, whites, blacks, and Miskito Indians have united to struggle for a true democracy.

We supported democracy in Nicaragua before, and we support democracy today. We supported national reconciliation before, and we support it today. We believe that democracy deserves as much support in Nicaragua as it has received in El Salvador. And we're proud of the help that we've given to El Salvador.

You may recall that in 1981, we were told that the communist guerrillas were mounting a final offensive, the government had no chance, and our approach would lead to greater American involvement. Well, our critics were wrong. Democracy and freedom are winning in El Salvador. President Duarte is pulling his country together and enjoys wide support from the people. And all of this with America's help kept strictly limited.

The formula that worked in El Salvador—support for democracy, self-defense, economic development, and dialogue—will work for the entire region. And we couldn't have accomplished this without bipartisan support in Congress, backed up by the National Bipartisan Commission on Central America, headed by Henry Kissinger. And that's why, after months of consulting with congressional leaders and listening carefully to their concerns, I am making the following proposal: I'm calling upon both sides to lay down their arms and accept the offer of church-mediated talks on internationally supervised elections and an end to the repression now in place against the church, the press, and individual rights.

To the members of the democratic resistance, I ask them to extend their offer of a cease-fire until June 1.

To the Congress, I ask for immediate release of the $14 million already appropriated. While the cease-fire offer is on the table, I pledge these funds will not be used for arms or munitions. These funds will be used for food, clothing, and medicine and other support for survival. The democratic opposition cannot be a partner in negotiations without these basic necessities.

If the Sandinistas accept this peace offer, I will keep my funding restrictions in effect. But peace negotiations must not become a cover for deception and delay. If there is no agreement after 60 days of negotiations, I will lift these restrictions, unless both sides ask me not to.

I want to emphasize that consistent with the 21 goals of the Contadora process, the United States continues to seek:

1. Nicaragua's implementation of its commitment to democracy made to the Organization of American States;
2. An end to Nicaragua's aggression against its neighbors;
3. A removal of the thousands of Soviet-bloc, Cuban, PLO [Palestine Liberation Organization], Libyan, and other military and security personnel; and
4. A return of the Nicaraguan military to a level of parity with their neighbors.

Now, later today, I will be meeting with Arturo Cruz, Adolfo Calero, and Alfonso Robelo [leaders of the Nicaraguan opposition] to discuss my proposal. Democracy is the road to peace. But if we abandon the brave members of the democratic resistance, we will also remove all constraints on the communists.

Democracy can succeed in Central America, but Congress must release the funds that can create incentives for dialogue and peace. If we provide too little help, our choice will be a communist Central America with communist subversion spreading southward and northward. We face the risk that 100 million people from Panama to our open southern border could come under the control of pro-Soviet regimes and threaten the United States with violence, economic chaos, and a human tidal wave of refugees.

We strongly support President Duarte's dialogue with Salvadoran guerrillas. The lack of a parallel development in Nicaragua was 1984's major disappointment.

Secretary Shultz, Special Report No. 124, April 1985

Central America is not condemned to that dark future of endless violence. If the United States meets its obligations to help those now striving for democracy, they can create a bright future in which peace for all Americans will be secure.

So, in the spirit of Easter, let us make this so. I look forward to working with the Congress on this important matter in the coming weeks.

Initial Regional Support

The President's Easter peace proposal focused attention on the need for dialogue as essential to peace in Central America.

President Duarte of El Salvador:

Letter to President Reagan, April 4, 1985

Dear Mr. President:

I want to thank you most sincerely and warmly for your letter delivered to me today which explains your new peace initiative in Nicaragua and Central America. Your initiative and approach have my complete support and I strongly urge all of the friends of Central America in your Congress to give it their full backing. It is the right step at the right time in our quest for peace and democracy in this region. We appreciate as well your continuing strong support for democracy in El Salvador.

As you know, the Salvadoran people have just been to the polls for the fourth time in three years. While we do not yet have the official results, the apparent significant victory of my government and my party is, in my opinion, first and foremost an endorsement of the efforts we have made, with the help of the people and government of the United States, to bring peace, reconciliation and democracy to our own country through an internal dialogue. We believe our approach of opening such a dialogue and offering a full opportunity to all of our Salvadoran brothers to participate in a free and constitutional democratic process in our country should also be offered to all of those who are struggling for democracy in Nicaragua. I speak for all Salvadorans in warmly applauding your efforts.

We remain concerned, as we have been for some time, by the continuing flow of supplies and munitions from Nicaragua to guerrilla forces here in El Salvador which are fighting against my government and our programs of reform, democracy, reconciliation, and peace. This continuing intervention in our internal affairs is of great concern to us and we deeply appreciate any efforts which your government can take to build a broad barrier to such activities—efforts which a small country like El Salvador cannot take in its own behalf.

Please accept my personal thanks for this courageous step and my best wishes to you and your family.

Sincerely,

JOSE NAPOLEON DUARTE
President of the Republic of El Salvador
San Salvador.

President Betancur of Colombia:

Press Conference, April 5, 1985

The step the President of the United States has taken fits perfectly within the philosophy and within the reach of the Document of Objectives which the countries of Central America freely signed. . . .

Address to Nation, April 7, 1985

I am in agreement with the President in seeking a dialogue between the Sandinista government and the opposition especially the *Coordinadora Democratica*—all within the spirit of Contadora which seeks national reconciliations and for which the President confirmed to me his support.

President Suazo of Honduras:

Letter to President Reagan, April 8, 1985

Dear Mr. President:

I have received your kind communication of April 4 by which you brought to my attention the efforts that the Government of the United States is making with the purpose of strengthening democratic institutions in Nicaragua and supporting a dialogue between the opposition forces and the Sandinista government with the mediation of the Catholic Church in that country.

Since the month of June 1983, when my government actively participated in the drafting of a document known as "Bases for Peace in Central America," Honduras has firmly supported actions intended to put an end to the armed conflicts being experienced in some Central American countries. We have supported actions of national reconciliation, dialogue, and the free manifestation of popular will as ways which could lead to

the establishment of authentic democratic, pluralistic, and representative institutions in all of the countries in our region.

In this sense, your initiative has the enormous merit of supporting negotiated solutions to the Central American crisis and at the same time positively supporting the efforts of the Nicaraguan people to find peace in democracy.

I very much appreciate the advance notification of actions which your government will take in the near future. For my part, I want to reiterate once again that the government over which I preside will not hesitate even for an instant in its efforts to achieve a comprehensive, regional agreement which is fully verifiable, as is specified in the Twenty-one Objectives approved by the Central American countries in the framework of the Contadora negotiations. In this sense, my government shares and supports the ends that you pursue with this important initiative.

Please accept, Mr. President, my congratulations for this decision while at the same time I reiterate my sentiments of personal respect.

ROBERTO SUAZO CORDOVA
Constitutional President of the
Republic of Honduras

President de la Madrid of Mexico

Excerpt From Office Communique,
April 8, 1985

Cessation of hostilities is, in Mexico's opinion, an indispensable objective for the promotion of a climate appropriate for dialogue and negotiation among the countries of the area and among the different political groups within each country. President Reagan's proposal to encourage cessation of hostilities could constitute a forward step in the solution of this delicate conflict.

President Barletta of Panama:

Excerpt from Foreign Ministry Bulletin,
April 10, 1985

In President Barletta's opinion, there exist positive elements in President Reagan's proposal. Above all, the proposal moves forward both on the cessation of hostilities in Central America as well as on dialogue instead of confrontation. President Barletta indicated that in any case it is important to open a breathing space that would permit deeper study of President Reagan's proposal in order to determine its true scope. President Barletta indicated his pleasure with the support President Reagan is giving to the Contadora Group's effort.

President Lusinchi of Venezuela:

Press Conference, New York,
April 10, 1985

We believe that [President Reagan's proposal] is valid, as it explores a possibility for a peaceful solution to the internal crisis in Nicaragua. The Nicaraguan Government would not lose anything by entering into conversations with the opposition.

President Febres Cordero of Ecuador:

Press Conference, New York,
April 10, 1985

I've already looked favorably on the call for a dialogue. If the left has been suggesting in general a dialogue between the guerrillas and the legitimately constituted government in El Salvador, and all the parties in Guatemala take part in the democratic process, why can't there be a dialogue between the Sandinista Government and the opposition forces?

President Monge of Costa Rica

Letter to President Reagan,
April 10, 1985

I feel obliged to convey my enthusiastic support for [the President's] proposal. . . . As a Costa Rican, I should note that my position is justified above all because it is a proposal for a peaceful solution to one of the great problems of our time in Central America, aimed at achieving peace and making possible democracy. Having for many years resolved our problems in a peaceful manner, through the exercise of democracy, Costa Ricans fervently desire that all the peoples of Central America likewise receive the benefits which such procedures convey and that by their means they may resolve their problems, thus definitively distancing Central America from the nightmare of war, both international and civil.

President Alfonsin of Argentina:

Washington Post, Interview,
April 11, 1985

I think [President Reagan's proposal] is a positive policy that, if taken up by Latin America, might produce some formula for a solution.

Chronology

June 1979

Anti-Somoza opposition issues communique from San Jose, Costa Rica, promising first free Nicaraguan elections in 100 years.

Resolution of 17th Meeting of Consultation of Foreign Ministers of the Organization of American States (OAS) calls for installation of democratic government in Nicaragua including representatives of all groups opposing the Somoza regime.

July 1979

Anti-Somoza opposition sends cable promising free elections to the Secretary General of the OAS.

Anti-Somoza opposition coalition assumes power in Nicaragua; United States begins economic assistance.

October 1979

General Romero is overthrown in El Salvador by military and civilian group promising extensive political, social and economic reform.

April 1980

Alfonso Robelo resigns from Nicaraguan Government after Sandinistas pack Council of State with its supporters by enlarging the membership from 33 to 47.

March 1980

Agrarian reform begins in El Salvador.

November 1980

Sandinista security forces murder Jorge Salazar. Business group (COSEP) and independent political parties withdraw temporarily from Council of State.

January 1981

Salvadoran FMLN guerrillas, using arms supplied by the Soviet bloc through Nicaragua, launch "final offensive" against the Salvadoran Government; United States suspends aid to Nicaragua.

March 1982

Constituent Assembly election in El Salvador.

October 1982

Declaration of San Jose (signed by Belize, Colombia, Costa Rica, the Dominican Republic, El Salvador, Honduras, Jamaica, and the United States) calls for internal reconciliation and democracy in each Central American country as requirement for regional peace.

January 1983

Contadora peace process launched by Foreign Ministers of Colombia, Mexico, Panama, and Venezuela.

February 1983

El Salvador Peace Commission established, including a representative from the church. Efforts focused on promoting the participation of all social and political sectors in the democratic process.

April 1983

President Reagan announces appointment of a Special Envoy for Central America. Focus included facilitating internal dialogue in both El Salvador and Nicaragua.

September 1983

21-point "Document of Objectives" signed by the five Central American and the four Contadora countries.

December 1983

Nicaraguan opposition *Coordinadora* issues nine-point communique calling for dialogue leading to open elections.

February 1984

Nicaraguan armed opposition FDN offers to lay down arms in exchange for participation in elections.

April 1984

Easter pastoral letter of the Nicaraguan bishops calls for dialogue, including with armed opposition.

May 1984

Jose Napoleon Duarte elected President of El Salvador in run-off election.

September-October 1984

International and regional efforts to induce Sandinistas to allow open, fair competition for November 4 elections fail.

October-November 1984

Salvadoran President Duarte calls at UN General Assembly for dialogue with armed opposition; meetings between government and FMLN take place October 15 at La Palma and November 20 at Ayagualo.

February 1985

Statement calling for church-mediated dialogue issued in Managua by the opposition *Coordinadora*.

March 1985

Document on national dialogue of the Nicaraguan resistance issued in San Jose, Costa Rica.

Communique of the Nicaraguan Episcopal Conference, accepting mediation role in dialogue.

Legislative and municipal elections in El Salvador; fourth free election in 3 years.

April 1985

President Reagan calls on Nicaragua Government to accept dialogue.

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April 10, 1985

THE WHITE HOUSE

WASHINGTON

U.S. Support for the Democratic Resistance Movement in Nicaragua

Unclassified Excerpts from the President's Report to the Congress Pursuant to Section 8066 of the Continuing Resolution for FY-1985, PL 98-473.

CONTENTS

I. U.S. Goals in Central America

II. Nicaragua's Role in Central American Conflict

- A. Sandinista objectives and strategy
- B. Nicaraguan military buildup and alignment with the Soviet Bloc
- C. Support for armed insurgency in El Salvador and other activities against Central American Governments
- D. Internal consolidation

III. Efforts to Resolve Central American Conflict

- A. U.S. objectives toward Nicaragua
- B. Bilateral and regional diplomacy, 1979-85
- C. Strategy of pressure and support for armed opposition

IV Policy Alternatives and U.S. National Interests

V. Presidential Determination

- A. Description of proposed program
- B. Justification

I. U.S. Goals in Central America

United States policy toward Nicaragua must be viewed in the overall Central American context, where we have a fundamental interest in the development and preservation of stable societies able to sustain social, economic, and political change without coming under the sway of the Soviet Union or its allies. As the National Bipartisan Commission on Central America stated, "Central America is both vital and vulnerable and whatever other crises may arise to claim the nation's attention, the United States cannot afford to turn away from that threatened region." A hostile or destabilized Central America close to our border would pose an unacceptable threat to our vital interests in Mexico, the Panama Canal, and the Caribbean sea lanes.

Because of the importance of Central America and the complexity of the problems there, U.S. policy toward the region has centered on four interrelated objectives:

-- support for democracy, reform and human freedom in each

country, including genuine national reconciliation, full respect for human rights, and popular participation in the political process--as demonstrated by open, fair, genuine elections;

-- renewal of economic development and growth in the region to address the root socio-economic causes of turmoil and conflict and to provide increased opportunity and better conditions of life for all segments of society;

-- security for the democratic governments of Central America, to help shield them from guerrilla warfare or externally-supported subversion as they develop more equitable, humane, and stable societies; and

-- Support for a political solution to the conflicts in Central America, via peaceful dialogue within and among the countries of the region and for a comprehensive, and verifiable regional settlement as outlined in the Contadora Document of Objectives.

These four objectives of the United States are consistent with the strongest ideals of the American nation and, we are convinced, reflect clearly the wishes of the vast majority of the people in Central America and throughout this hemisphere.

Progress has been made toward achieving these objectives in El Salvador and elsewhere in Central America. In Washington, the Administration and the Congress have demonstrated the broad consensus that now exists in the U.S. on the need for increased aid to Central America by passing major economic and security assistance legislation for fiscal years 1984 and 1985. The Contadora process, helped by our bilateral efforts at Manzanillo, has also made progress in some areas, despite major remaining obstacles. The basic problem of Central America remains unaltered: a dedicated Marxist-Leninist regime in Nicaragua, armed and backed forcefully by Cuba, the Soviet Union, and its allies, bent on a massive weapons acquisition program and continuing active support for armed insurrection and subversion in neighboring countries, threatens the stability of democratic governments and fundamental U.S. interests in Central America.

II. Nicaragua's Role in Central American Conflict

(A) Sandinista objectives and strategy: Since the FSLN's rise to power in July 1979, real political power in Nicaragua has rested in the hands of the FSLN National Directorate. Composed of nine commandantes--three representatives from each of the three Sandinista factions--it determines and coordinates overall Nicaraguan objectives and strategy. The judiciary and the national assembly are fully subservient to this executive authority.

While we know there are personal differences among the nine, as well as differences on tactics, all nine commandantes are Marxist-Leninist revolutionaries committed to radical social change and the export of revolution, disdainful of democratic-capitalist regimes, and distrustful of the United States.

Having suffered from discord in the past, the FSLN takes great care to present a common front, although it has used rumors of disagreement to play on foreign interest in supporting so-called "moderate" elements. In need of Western economic support, the FSLN attempts to hide the most glaring evidence of its Marxist and dictatorial tendencies. As a result and as an outgrowth of the "tercerista" strategy that succeeded against Somoza, it follows a flexible strategy under which the private sector is

permitted to exist (albeit under systematic confiscation and increasing state restrictions), a political opposition can operate in limited areas (under the tight watch of FSLN and GON control instruments) and elections are carried out (under conditions assuring FSLN control of the outcome, via control of the media, political assembly, and the basic necessities of life). It is a strategy dedicated to the long-term survival of the Sandinistas' grip on power and Marxist-Leninist ideal behind a facade of moderation.

Based on the experience of the past five years and on several key Sandinista policy statements not intended for publication (for example, the September 1979 "72 Hour Document" which set forth the goals of the revolution, and Commandante Bayardo Arce's May 1984 confidential speech to the Socialist Party--both of which have been acknowledged as authentic by Nicaraguan senior officials), the FSLN has the following overriding objectives:

-- the political/economic transformation of Nicaraguan society along Marxist lines, marked by redistribution of income, confiscation of private property, and an expanded state role in the economy;

-- the establishment and maintenance of complete Sandinista control within Nicaragua (demonstrated by the intimidation and restriction of the opposition; encouragement of factions challenging authentic opposition groups in labor, political parties, the press, human rights, and organized religion; the development of Sandinista "mass organizations;" and the control of all government institutions by the FSLN);

-- the development of closer ties with the Soviet Bloc and Cuba (shown by the GON's redirection of trade, its voting pattern in international bodies, its acceptance of 2,500-3,500 Cuban military and 3,500-4,000 Cuban civilian advisers, and its military purchases and identification with Cuban and Soviet Bloc goals in the region); and

-- extensive material support for "fraternal revolution" in Central America (evidenced by its pattern of support for the Salvadoran guerrillas as well as similar groups in Guatemala, Honduras, and Costa Rica).

It is clear from the historical record that the Sandinistas entered office with these basic objectives described above, which have not changed during their period of power.

(B) Nicaraguan military buildup and alignment with the Soviet Bloc: As the Sandinistas took control of Managua on July 19, 1979, Somoza's National Guard disintegrated, leaving the Sandinista guerrillas as the only significant armed group in Nicaragua. With most of the Guard members captured or fleeing Nicaragua, there was little military threat to the FSLN within or without Nicaragua. Nevertheless, long before its opposition took up arms against it, the GON/FSLN had begun an impressive military buildup far beyond its defensive needs. The guerrilla army--which was renamed the Popular Sandinista Army (EPS)--grew from an estimated strength of 6,000 troops in July 1979 to about 16,625 by year's end, and to about 23,750 (army plus activated reserves and militia) by January 1982, when the armed opposition carried out its first major operations. In 1980 the GON announced a voluntary militia program, which Defense Minister Humberto Ortega boasted would eventually be 200,000 strong.

The Sandinista military establishment now has over 62,000 men on active duty and another 57,000 reserve and militia--a total of 119,000, many by now with combat experience. In contrast, Somoza's National Guard usually numbered 6,000 to 7,000 (and

peaked at about 14,000 during the 1978-79 insurrection). Of Nicaragua's immediate neighbors, Honduras' armed forces number about 18,000 and Costa Rica has no army.

The number of Cuban military and security advisers in Nicaragua grew in a similar pattern. About 200 Cuban military advisers were reported in Nicaragua in 1979, and an estimated 600 were present by the end of 1980. By the beginning of 1982, the estimate of Cuban military and security advisers in Nicaragua had risen to 1,500-2,000. In 1983 and 1984, the number of Soviet Bloc advisers increased, reaching about 2,500 to 3,500 Cuban military and security personnel and about 200 Soviet, other Bloc, Libyan, and PLO military advisers and technicians.

The growth of Soviet Bloc arms deliveries to Nicaragua lagged somewhat behind the increase in EPS troop strength and the Cuban presence, although orders were accepted as early as 1979. Soviet Bloc military deliveries totalled about $5 million in 1980, but rose to about $45 million in 1981, and to approximately $90 million during 1982.

In late 1979, East Germany agreed to supply Nicaragua with 800 military trucks (1,000 were eventually delivered). During 1980, Nicaragua also reportedly signed a secret defense agreement with Cuba. It also sent about 100 personnel for MiG pilot and mechanic training in Bulgaria, the first in a series of steps to acquire advanced fighter aircraft. In 1980 and 1981, the GON sent major missions to the Soviet Bloc to discuss military assistance. Following the August 1980 visit to Managua of Yasser Arafat, the PLO provided military instructors to the GON. In mid-1981, the GON received its first 25 Soviet T-55 medium battle tanks (it received about 25 more during 1982, and now has about 110 such tanks, along with about 30 PT-76 light amphibious assault tanks).

Following the onset of organized insurgent activity in Nicaragua in early 1982, the Sandinista military continued to grow in number of troops, quantity and quality of weapons, and in the overall level of Soviet Bloc assistance. Soviet Bloc military deliveries were about $115 million in 1983 and about $250 million in 1984. The cumulative amount from 1979 to the present reached over $500 million.

This weaponry was increasingly sophisticated. In addition to delivering more T-55 tanks, the Soviets introduced the PT-76 light amphibious tank, multiple rocket launchers, heavy artillery, helicopters (including the MI-24 Hind assault helicopter in late 1984), transport aircraft, about 200 armored vehicles, patrol boats, and radar and air defense equipment.

Considering that there was no significant armed opposition to the Sandinistas prior to 1982, the pattern of the 1979-1982 GON military growth and its Soviet connection illustrates that the Sandinista Government was committed from its earliest days to a military system with the following facets:

-- a large active force, with large ready reserve and militia;

-- a close military relationship with Cuba and the Soviet Bloc, as well as Libya and the PLO; and

-- new offensive weapons systems that would further destabilize the then-existing regional military balance (such as the 1981 receipt of the T-55 tanks, and the GON decision in 1980 to acquire advanced fighter aircraft).

(C) Support for armed insurgency in El Salvador and activities against other Central American Governments:

Nicaragua's export of revolution to El Salvador, and to a lesser degree to the rest of Central America, remains an integral part of Sandinista ideology and foreign policy. Over the past 12-14 months, a compilation of reporting provides convincing evidence that Managua continues to play a key role as a supply and communications center, training base, and headquarters for the Salvadoran guerrillas. There is enough specific evidence to be confident that the supply effort continues and remains a critical factor in maintaining the guerrillas' military capabilities.

While there has been a reduction in materiel support to the insurgency since mid-1984 compared to the sizeable influx during 1982-83, Managua has an abiding commitment to maintain the insurgency in El Salvador.

In addition to intelligence evidence, Sandinista officials, such as directorate members Tomas Borge and Bayardo Arce, explicitly acknowledged at various times in 1984, Nicaraguan support to the guerrillas both in terms of materiel and communications.

Nicaragua also continues to provide military training to the Salvadoran guerrillas. A body of reporting over the past year suggests that a few hundred Salvadoran trainees may be at Nicaraguan camps at any given time. For example, a new training camp for Salvadorans was established last year near Santa Julia on Nicaragua's Cosiguina Peninsula. New buildings, a firing range, and an obstacle course are hidden in wooded terrain. The isolated location and proximity to El Salvador make the site ideal for insurgent training and infiltration. Salvadoran trainees receive combat experience fighting the anti-Sandinistas prior to returning to El Salvador. The pattern of evidence is unmistakable. There is no reason to doubt that Nicaraguan support for the Salvadoran guerrillas, in equipment supply, training and in command and control operations continues to be a vital element in outside support for guerrilla activities.

Significance of Nicaraguan support to anti-government forces. External resupply and support assistance from Nicaragua will remain critical for the Salvadoran insurgents for the foreseeable future. A variety of reports over the past few months indicate that the guerrillas continue to depend heavily on Nicaragua:

-- reporting from several sources confirm that the most critical need is for ammunition; and

-- in early 1985, reporting indicated that the Salvadoran Army's increased effectiveness in small-unit tactics has resulted in "substantially fewer" arms captured by the guerrillas, forcing them to bring in more arms from abroad.

All evidence indicates that Managua will continue to provide sufficient materiel for the guerrillas to sustain at least their current level of activity.

Support for Other Central American Radicals:

Sandinista activities elsewhere in the Central American region include training and arms support for radical groups, generally in close cooperation with Cuba. This support has been key to unity efforts and attempts to upgrade the military potential of these groups;

-- Guatemala: Managua and Havana have worked jointly since 1982 to consolidate the principal rebel factions. During the past year, Managua has provided additional support to the Guatemalan guerrillas, which parallels early support for the Salvadoran rebels;

-- Honduras: Prior to 1982, Havana and Managua discouraged armed struggle in Honduras so as not to endanger use of the country as a conduit for arms shipments to Salvadoran guerrillas. However, as the Honduran government began to intercept arms shipments and disrupt leftist networks, the Cubans and Nicaraguans shifted their policy to more active subversion:

- in mid-1983, the Sandinistas infiltrated approximately 100 Cuban/Nicaraguan-trained Honduran insurgents in an unsuccessful effort to set up a base for insurgent operations and made another abortive infiltration effort in mid-1984; and

- reporting from a variety of sources indicates the training continues, both in Nicaragua and Cuba, and includes combat experience against anti-Sandinistas in northern Nicaragua;

-- Costa Rica: Nicaragua provides arms and training to the armed wing of the Costa Rican Communist Party, which is seen by the hardline faction of the party as the backbone of a potential domestic insurgency.

(D) Internal consolidation: The consolidation of Sandinista domestic power with a system of extensive internal control presents a major obstacle to Central American stability, given Sandinista objectives and the lack of democratic checks and balances to prevent or moderate an aggressive policy supporting revolution in neighboring countries. Nearly six years after it seized power, the FSLN has total control of the vast GON apparatus and has largely consolidated its power.

Since taking power, the FSLN has moved quickly to confirm its control of key government functions, and to expand significantly the government's role in national life. It should be noted that although the FSLN has allowed some opposition role, mainly to project an image of moderation for external consumption, it has steadily restricted opposition activity. Its clear goal is the institutionalization of a Marxist-Leninist one-party state in Nicaragua. Following is a checklist of Sandinista actions taken so far to achieve political domination:

-- the placing of FSLN cadre in all GON agencies and assigning key Ministries to National Directorate members;

-- the creation of a repressive state security/secret police organization controlled by the FSLN and assisted by Cuban and East German advisers;

-- major expansion of the armed forces, controlled by Sandinistas and creation of the Sandinista militia (both a source of armed strength and mobilization of the masses);

-- creation and expansion of Sandinista mass organizations, utilizing the literacy campaign and the various groups (labor, students, and the ubiquitous CDS block committees) to build cadres, extend party control, and to intimidate opposition groups;

-- expansion of Sandinista representation in the Council of State, effectively reducing the opposition to a token role in that body;

-- postponing elections five years until the FSLN had full political control and was able to ensure favorable results;

-- active harassment of the political opposition through press censorship, denial of permits for rallies, arbitrary

confiscation of property, and arbitrary price and credit policies;

-- support of rival, pro-Sandinista factions within all opposition parties, the media, organized religion, labor, and non-partisan organizations; and

-- extensive utilization of Soviet Bloc military and other cadre whose loyalty is toward consolidation of Marxist-Leninist system.

Blaming FDN activities in early 1982, the government declared a "state of emergency" that further curtailed civil liberties and restricted opposition activities. The FSLN also stepped up CDS block committee actions against political dissidents, including individuals, political parties, labor unions, the private sector, the media, and organized religion. The institution of a draft, further expansion of the Nicaraguan military and increased receipt of major amounts of Soviet Bloc weaponry greatly increased the FSLN's capability to control national life and intimidate the opposition.

Having taken advantage of its access to GON funds and resources, and of the fact that opposition forces had been weakened by years of repression under Somoza and then the Sandinistas, the FSLN announced elections for November 1984. The flawed electoral process--during which the FSLN rejected opposition requirements for minimal guarantees to allow fair participation--demonstrated that the FSLN was not prepared to risk its own political power. From the FSLN's standpoint, however, the elections gave it a basis to institutionalize its control over Nicaraguan society.

Events following the elections indicate the FSLN will use its control of the Presidency and the new National Assembly to provide the institutional framework for continued Sandinista domination. This current phase of FSLN consolidation includes continuation of political and media controls, aggressive use of the draft as a device for mobilization and social control, rejection of armed and unarmed opposition calls for Church-sponsored dialogues, and proposal of a National Assembly statute that would severely limit rights of most opposition members.

The unfair electoral arrangements and subsequent efforts to stifle political opposition in Nicaragua were taken after the Sandinistas had announced on September 20, 1984, their willingness to accept the draft Contadora treaty which contained extensive commitments to respect political rights and ensure a democratic political system.

Sandinista Rejection of Dialogue: The Nicaraguan armed and unarmed opposition have consistently emphasized the goal of genuine democracy in Nicaragua, and have repeatedly offered to engage in dialogue with the Sandinistas. Significant armed opposition proposals were made by the Revolutionary Democratic Alliance (ARDE) on February 18, 1984, and by the Nicaraguan Democratic Force (FDN) on February 21, 1984. The unarmed opposition put forth a nine point proposal in January 1984; and refined this proposal in September 1984 to address the conditions necessary for opposition participation in the November elections. More recently, the unarmed opposition leadership in Managua issued a February 22, 1985 proposal for a national dialogue.

In a separate declaration signed in San Jose on March 1--a major opposition milestone that received wide attention--the externally-based opposition (including representatives of the FDN, the Miskito group MISURA, ARDE, and prominent democratic civilian leaders such as Arturo Cruz) proposed a national dialogue to be mediated by the Nicaraguan Catholic Church,

offering to implement a mutual in situ ceasefire and accept Daniel Ortega as President until such time as the Nicaraguan people decided on the matter through a plebiscite. They also endorsed the minimum requirements established on February 22 by the internal, unarmed opposition to begin a national dialogue. In addition to the suspension of armed activities and the establishment of a ceasefire, these included the lifting of the state of emergency; absolute freedom of expression; a general amnesty and pardon for political crimes; a full restoration of constitutional guarantees and the right of habeas corpus; guarantees of the safety of members of the resistance movement who participate in the dialogue; and the implementation of these measures under the supervision of guarantor governments. The foregoing are not unreasonable demands of abdication, but rather the minimum rights of people in a democratic society.

When Arturo Cruz attempted to fly to Managua on March 7 to deliver this proposal to the Nicaraguan Government, the Government prevented his return, and refused to respond to either opposition proposal. On March 22, the Nicaraguan Catholic Church hierarchy(Episcopal Conference) issued a communique reiterating its support for a national dialogue and declaring its willingness to act as a mediator.

III. Efforts to Resolve Central American Conflict

(A) U.S. objectives toward Nicaragua: United States policy toward Nicaragua since the Sandinistas' ascent to power has consistently sought to achieve changes in Nicaraguan government policy and behavior. We have not sought to overthrow the Nicaraguan government nor to force on Nicaragua a specific system of government. The changes we seek, listed below, are essential if Central America is to achieve peace and stability:

-- termination of all forms of Nicaraguan support for insurgencies or subversion in neighboring countries;

-- reduction of Nicaragua's expanded military/security apparatus to restore military balance in the region;

-- severance of Nicaragua's military and security ties to the Soviet Bloc and Cuba and the return to those countries of their military and security advisers now in Nicaragua; and

-- implementation of Sandinista commitment to the Organization of American States to political pluralism, human rights, free elections, non-alignment, and a mixed economy.

These goals are supported by all of Nicaragua's neighbors, they are consistent with the original goals of the anti-Somoza coalition and Sandinista pledges to the OAS, and they are contained in the September 1983 Contadora Document of Objectives, which Nicaragua signed together with the other Central American states. The last of the above objectives has been stressed by both the Carter and Reagan Administrations. It is directly related to both the internal situation in Nicaragua and Nicaraguan's relations with its neighbors, especially unarmed, neutral, and democratic Costa Rica, which sees the realization of this objective as a guarantee of its own security.

(B) Bilateral and regional diplomacy 1979-1982: United States negotiations with the Sandinistas began before they arrived in power July 19, 1979. Our efforts to strengthen the moderate opposition to Somoza succeeded in obtaining from the Sandinistas their July 12, 1979 letter to the OAS and their Basic Statute, in which they made the commitments to democracy, human rights, and non-alignment cited above.

During 1979 and 1980, the Carter Administration made a major effort to achieve good relations with the Nicaraguan Government. Total authorized bilateral assistance reached $117.2 million, and the U.S. strongly supported Nicaragua in multilateral aid institutions. Our central objective was to encourage evolution of a democratic system in Nicaragua. Diplomatic contacts were frequent and at a high level, including Secretary Vance in Quito in August 1979, a Carter/Ortega meeting in September 1979, a U.S. visit by Commandantes Wheelock and Tirado in December 1979, Assistant Secretary Bowdler's visit to Managua in January 1980, and ARA Deputy Assistant Secretary Cheek's visit in September 1980. As late as October 1980, still seeking constructive relations, the Carter Administration certified that Nicaragua was not assisting international terrorism.

But by December 1980, the intelligence revealed that the Sandinistas were supporting the Salvadoran guerrillas, that 600 Cuban military advisers were in Nicaragua and that pilots had been sent abroad for MiG training. The military buildup had begun and internal repression was apparent in the stacking of the Council of State in May and the murder of private sector leader Jorge Salazar in November. Disbursements of AID and PL-480 sales were suspended and military assistance to El Salvador resumed. Economic assistance was formally ended by a Presidential Determination April 14, 1981, that Nicaragua was assisting Salvadoran guerrillas.

This Administration, nevertheless, made two major attempts to reverse the deteriorating relations in 1981-82. Assistant Secretary Enders visited Managua in August 1981, and presented an offer, including renewed economic assistance, for an end to Sandinista support for guerrillas and reduced levels of Nicaragua's military capability and foreign advisors. The GON never responded to our offer. Nicaraguan Ambassador to the U.S. Arturo Cruz resigned shortly thereafter in frustration over these developments. In April 1982, we made an eight-point proposal reiterating the August terms and emphasizing international verification of arms limitations and reaffirmation of Nicaragua's earlier commitments to support pluralism, free elections, and a mixed economy. A series of exchanges became increasingly sterile and concluded in August 1982. We then joined a multilateral effort of eight democracies of the region in October 1982--the San Jose Declaration--which outlined the essential conditions for restoring peace. These governments designated Costa Rican Foreign Minister Volio to carry the declaration to Managua. The Nicaraguan Government, however, refused to receive him or enter into dialogue on the San Jose principles.

(C) Contadora and Manzanillo 1983-1985: Colombia, Panama, Mexico, and Venezuela began in January 1983, at Contadora, Panama, to mediate a regional settlement. Meetings among the five Central American and these four "Contadora Group" governments led to agreement in September 1983 on a Document of Objectives. This identified twenty-one political, security, and social-economic goals whose verifiable implementation would meet our concerns. We have consistently supported efforts to develop the Document of Objectives into a comprehensive and verifiable agreement.

By April 1984, the Contadora Group had developed recommendations for implementing the Document of Objectives and proposed a draft agreement in June 1984. This first draft was accepted as a basis for further discussions by the Central American states. The Sandinistas made it clear that they would not accept any element to which they had not previously agreed. The other Central Americans made suggestions for its improvement and called for direct negotiations with Nicaragua.

The Contadora group presented a second draft on September 7. Nicaragua's insistence on prohibition of military maneuvers was

accepted; timing of security commitments of interest to Nicaragua was tied to signature; but commitments on foreign advisers and arms reductions were left for later negotiation. Verification was extremely weak.

Nicaragua conditionally accepted the draft on September 21. The other Central Americans, however, had strong misgivings. Honduras, El Salvador, and Costa Rica developed a series of proposed amendments that were presented to the Contadora group on October 20, 1984. Informal discussions within Contadora since last fall have focused on reconciling these two drafts of a "final agreement." When the Contadora process resumes April 11-12, these drafts--and efforts to strengthen verification--will be the focus of discussion.

Manzanillo discussions: During a June 1, 1984 visit to Managua, Secretary Shultz proposed direct discussions between Nicaragua and the U.S. We made clear from the outset that this process was designed to facilitate the Contadora negotiations and contribute to the goal of a comprehensive, regional settlement.

U.S. Special Envoy Ambassador Harry Shlaudeman held nine meetings with the Nicaraguans between June and December 1984, all but one in Manzanillo, Mexico. We made specific proposals for a comprehensive step-by-step solution to the problems identified by both sides. But Nicaragua used the talks as a vehicle to try to resolve its most immediate bilateral security concerns without addressing such Contadora objectives as regional arms reductions, or reincorporation of its insurgents into civil society under democratic conditions. Following Nicaragua's conditioned acceptance of the September 7 Contadora draft agreement, the United States attempted to initiate concrete discussions on the points still at issue in the draft. The Nicaraguan delegation was unwilling to consider this approach, seeking instead to "explore" security issues only outside the Contadora context.

Nicaraguan diplomacy throughout the six years of Sandinista rule has thus been characterized by an effort to bilateralize negotiations, making a comprehensive settlement impossible. It has at the same time engaged in grandstand diplomacy by making public statements inconsistent with its real negotiating position and by appeals to the U.S. public and to various international fora in search of propaganda advantage.

In sum, it is apparent that the Sandinistas use the negotiating process to advance their more serious objectives:

-- buy time for internal consolidation;

-- ease external political, economic, and military pressures by presenting the appearance of reasonableness and flexibility; and

-- obtain explicit or implicit guarantees against U.S. unilateral military intervention and preclude neighboring countries from supporting Nicaraguan democratic opposition.

By the same token, it is clear that, despite lip service to the democratization aspects of Contadora, the Sandinistas are unalterably opposed to any internal changes that would jeopardize their control of political life in Nicaragua.

IV. Policy Alternative and U.S. National Interests

The foregoing sets forth in detail our objectives regarding Nicaragua and the enormous obstacles to realizing them posed by Sandinista ideology, geo-strategic aims, and intransigence. We have considered the possible alternative approaches to achieving

our policy objectives for regional stability. In doing so, we have ruled out courses of action that would amount to acceptance of Sandinista goals and abandonment of our own objectives, and direct application of U.S. military force.

We are left with reliance upon an array of policy instruments, short of direct U.S. military action, to advance our objectives and deny the attainment of those of the Sandinistas and their Communist mentors. In the broadest terms, we have two options:

-- first, we can seek through effective pressure to modify Sandinista behavior while we help strengthen the political, economic and military capabilities of the countries directly threatened; or

-- second, we can forego pressure and concentrate on seeking to contain the effects of Sandinista behavior through assistance to neighboring countries.

The second of these options, containment, would seek to counter the expansionist activities of the Soviet Union, Cuba and Nicaragua in Central America by, inter alia, a major buildup of the security capabilities of the countries directly threatened.

It would mean providing Honduras advanced combat aircraft, anti-tank and anti-air defense sytems and underwriting a military force increase from about 18,000 to perhaps 35,000. In the case of El Salvador, it would mean more resources and major drives to slow the guerrillas before the Sandinista pipeline picks up again. Costa Rica would have to decide whether to develop new security capabilities (it now has no army) and host U.S. exercises or other measures.

To assure that these countries would have the will to resist in an environment of increasing Nicaraguan military dominance, the U.S. would probably have to offer firm guarantees for resisting Nicaraguan attack, including Nicaraguan aggression through unconventional warfare.

U.S. military and naval exercises probably would increase. The intelligence services of each country would have to be expanded. Additional economic assistance (a doubling of 1984/85 levels or more) would be needed to offset the impact of Soviet/Cuban subversion and political action. We have not attempted to cost-out this option, but total assistance to the area could rise from the $1.2 billion per annum level of FY 84/85 to $4-5 billion per year for the immediate future.

In terms of full realization of our objectives toward Nicaragua, the containment approach is obviously deficient in that it is passive and does not contemplate changes in Sandinista behavior. We do not see such changes occurring under this scenario even if the steps outlined above are coupled with economic sanctions and other measures to isolate Nicaragua. Moreover, there are fundamental obstacles to implementing this strategy in a way that will achieve its defensive goals. First is the question of whether Congress would support the long-term increases in U.S. material assistance that would be necessary. A half-hearted "containment" response, or one that lasted for only a year or two would only serve to prolong the Central American conflict without altering its ultimate outcome. Second, we must face the fact that definitive removal of U.S. support from the anti-Sandinistas will have, in its own right and apart from any compensatory measures, a demoralizing effect on our friends in the region. This, in turn, will tend to make them more susceptible to Sandinista intimidation and/or negotiation initiatives, and less confident in future security relationships with us.

The flaws in the containment approach, especially measured against the long-term commitment of the Sandinistas and the assurances of political and military support they enjoy from the Soviet Bloc, would appear to dictate eventual success of Sandinista-inspired insurgency throughout the region.

Our conclusion is that continuation of strong pressure on the Sandinistas is the only effective course of action that will safeguard our security and those of our friends. Under this strategy, we foresee the following:

-- resumption of aid to the Nicaraguan armed resistance at levels sufficient to create real pressure on the Government of Nicaragua;

-- U.S. economic and security assistance to other countries of Central America;

-- continued U.S. insistance on strengthening democratic institutions, respect for human rights and reforms;

-- additional military and naval exercises; and

-- active encouragement of a negotiated political solution to regional problems based on our four objectives and the 21 point Contadora Document of Objectives.

The justification for our proposed approach--the strategy of strong pressures combined with a negotiating channel to encourage a political solution--is treated in Section V below, in terms of specific objectives such as halting Nicaraguan support for the Salvadoran guerrillas and encouraging the removal of Cuban and Soviet advisors. Of the various approaches, this has the highest chance of achieving a negotiated solution. It requires far less U.S. resources than a containment policy and a better chance of being effective. The resources are now in place but should the armed opposition be dismantled or break apart, it could not be put back together again without enormous effort, if at all. In effect, this option would be lost--placing us in an "accommodationist-or-military response" dilemma at some later date, when the threat to U.S. interests becomes more obvious and when the only effective response would be on a larger scale, or in less favorable circumstances.

V. Presidential Determination

(A) Description of Proposed Program: Assistance provided to the Nicaraguan democratic opposition forces will be structured so as to increase their size and effectiveness to the point where their pressure convinces the Sandinista leadership that it has no alternative to pursuing a course of moderation, to include:

-- cessation of support to insurgent movements in other countries;

-- reduction in their armed forces;

-- withdrawal of foreign advisers; and

-- acceptance of the March 1 Peace Proposal and establishment of a legitimately pluralistic democratic political structure which will assure that Nicaragua will not continue activities threatening to their neighbors.

The United States has a clear, undeniable moral imperative not to abandon those brave men and women in their fight to establish democracy and respect for human rights in Nicaragua. It is a traditional imperative stemming from more than 200 years during

which, time and again, we have lent our support--moral and otherwise--to those around the world struggling for freedom and independence.

It is not simply a matter of the $14 million before the Congress that is the issue. The greater issue is one of the United States trying to help people who have had a Communist tyranny imposed on them by force, deception and fraud. We cannot consign the Nicaraguan people to a Communist dictatorship with no possibility--if history is any guide--of realizing the freedoms of democratic goals set forth in their San Jose unity declaration. Our responsibility is clear: we must give them our full bipartisan support.

SANDINISTA THREAT TO DEMOCRACY IN CENTRAL AMERICA

Senator MCCLURE. Thank you very much, Mr. Secretary.

Let us operate under a 10-minute rule and if the staff will remind the chairman of the expiration of the time, we will rotate the time on that basis on the first round.

Mr. Secretary, much has been said about developments in Nicaragua since the Sandinistas came to power and how those developments threaten democracy in the Central American region, not just in Nicaragua.

Critics have argued that these are internal affairs and, therefore, we should not interfere. Let us look at the military situation first.

Will you please give us some current estimate and information for the committee on the military buildup in Nicaragua and the extent of Soviet-Cuba and Communist bloc influence there?

There were a couple recent articles that bear on this subject, one by Tom Diaz in the Washington Times who said the Sandinistas stand ready to start an offensive against the Contras, and the article points out the use of Soviet supplied, very modern military equipment in that aid. This is the Washington Times article of April 18 saying the Soviets are seen in combat with Sandinistas.

Without reading the entire article, just the first couple paragraphs, Mr. O'Leary writing that article, says that Soviet military officers have been spotted serving with Sandinista's combat troops fighting against the resistance forces.

The second paragraph saying administration officials have long known that the Sandinista Army has Soviet advisers along with others from Cuba, Libya, and the Palestine Liberation Organization, but this is the first time foreign troops have been detected serving with front line Nicaraguan units in the combat zone along the border with Honduras.

The question is: What is the background, what is the situation there? Are these articles accurate and if they are accurate, what does that imply?

Mr. MOTLEY. I will take your question in two parts, as I understand it.

One is the Soviet military buildup in arms and also the size of the Sandinista Army.

Second, your later question with regard to the presence of Soviet military in Nicaragua.

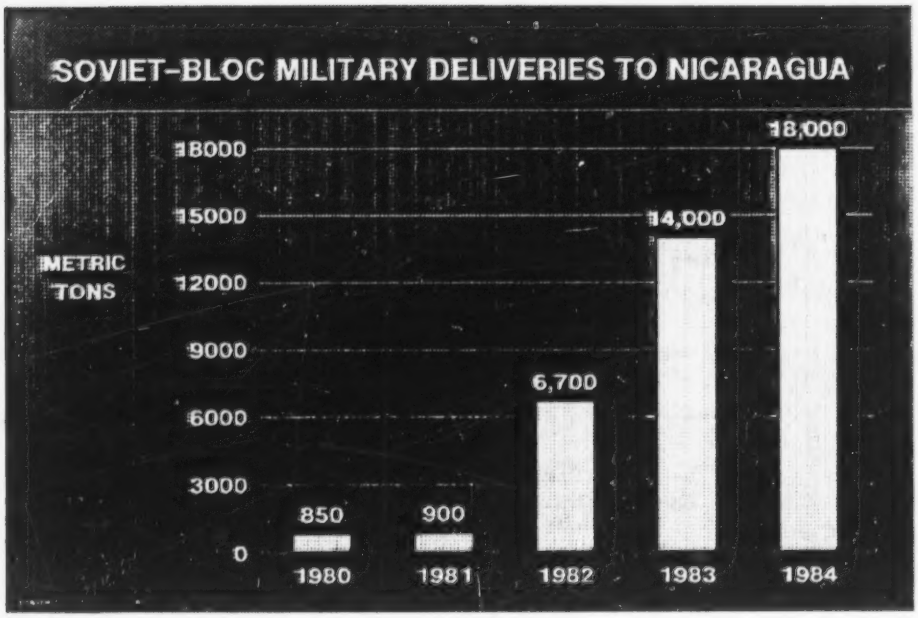

CHART 1

COMMUNIST MILITARY DELIVERIES TO NICARAGUA

First, this chart I will be happy to provide for the committee. It shows you in 1980 where there were 860 metric tons of Soviet bloc military deliveries to Nicaragua, it reached a point in 1984 of some 18,000 metric tons.

There was, you may recall, publicly about the delivery of the HIND helicopters and sophisticated radar and antiaircraft and tanks and the rest of it. We have some specific figures which I will be happy to provide to the committee for the record on the number of tanks, aircraft.

Senator MCCLURE. If you would do that for the record, please.

Mr. MOTLEY. Yes, sir.

FIGURE 2

NICARAGUA: IDENTIFIED DELIVERIES OF SELECTED MILITARY HARDWARE BY COMMUNIST STATES AND LIBYA, 1980 – 1 MARCH 1985

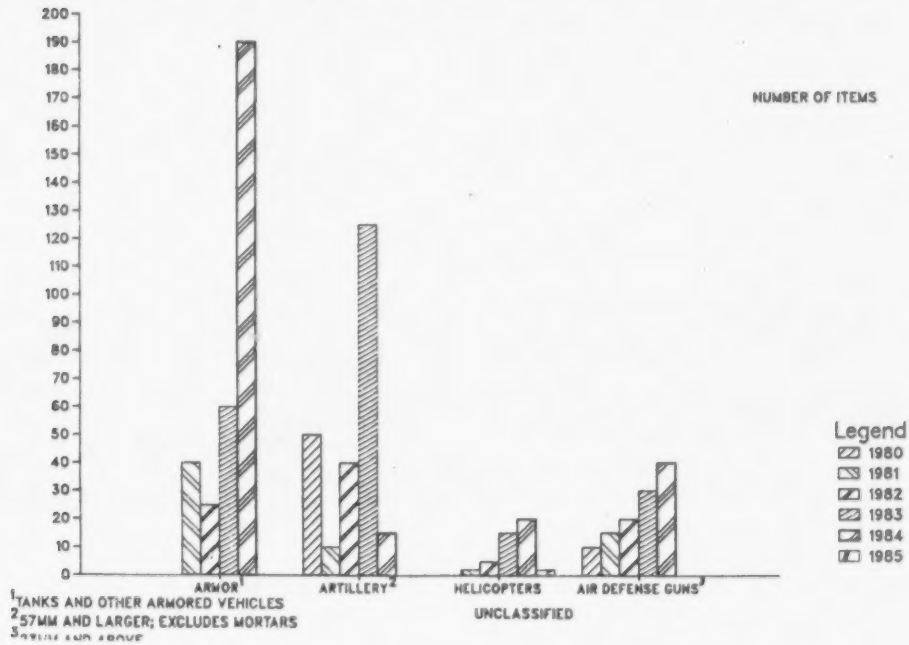

CHART 2

ACTIVE DUTY FORCES BUILDUP

Mr. MOTLEY. The other one, companion to that, has been the active duty military forces buildup and I will supply that for the record, also.

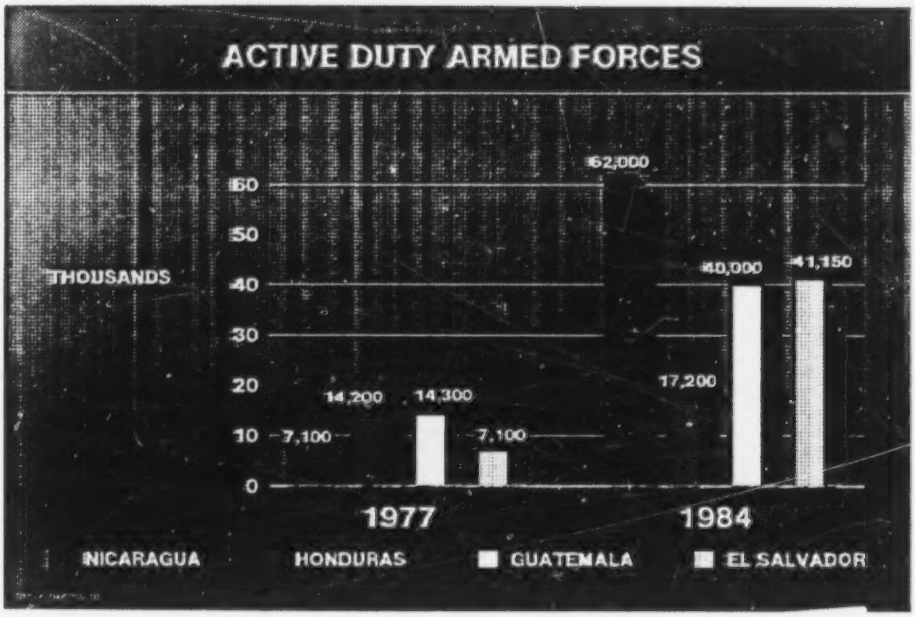

CHART 3

BUILDUP OF ARMED FORCES

Mr. MOTLEY. Looking at this chart from where you are, this is 1977 and this is 1984. This is the level of the armed forces, active duty armed forces. Of course, the Institute of Strategic Studies in London is the source of this. The Nicaraguan forces go from 7,000 to 62,000. That is actual active duty military forces.

They also have a militia or national guard of some 60,000, of which we estimate about half of them are active duty; that is, federalized in our sense, at any one time.

These other ones are the neighboring countries. Honduras went from 10,000 to some 17,000 in that same period of time. Guatemala has gone from 14,000 to 40,000. El Salvador from 7 to 41.

So, in proportion, you can see why one of the four points we have with regard to Nicaragua—one of the four policy objectives—is to reduce this military imbalance that keeps growing.

COMMUNIST ADVISERS IN NICARAGUA

With regard to your question as to the Soviets, over the period of time we have watched a continued increase in the presence of Soviet bloc officials in Nicaragua. This is in addition to the many thousands of Cubans, which we estimate at somewhere in the range of 10,000, give or take a thousand, with some 3,500 of them being military people.

The Soviet bloc—and this includes not only Soviets, but also East Germans, Bulgarians, Czechoslovakians—plus an additional group of PLO's, Libyans, and some of the other nice people that we meet around the world in different areas, totals somewhere around 2,000.

What they do is perform maintenance on new equipment they are getting, such as the HIND aircraft, a very effective and relatively sophisticated piece of equipment, and some of their antiaircraft and radar. In addition to the installation and maintenance, they also are involved, the Soviet bloc advisors, in many other things: Running communication centers, communications interception centers, and establishing intelligence and counterintelligence organizations.

I think we can probably get into much more detail in a closed session on specific numbers.

With regard to the presence at the border of Soviet military advisers, if they are involved in combat or not in combat, Mr. Chairman, I think that is an issue that we would have to address in a closed session.

Senator McCLURE. Thank you.

If any members wish that further information, we will recess at a later time——

Mr. MOTLEY. Or we can provide it to individual members, however you want it.

Senator McCLURE [continuing]. To a closed session. I think we will continue in open session at this time.

Senator Stennis.

PURPOSE OF $14 MILLION

Senator STENNIS. Mr. Chairman, I will be quite brief.

What hope can you give us—I didn't get to go to the hearing this morning in the Dome—what hope can you give us of results, Mr. Motley? I know you are going to do the best you can, but what is your best expectation if you get the money and are permitted to proceed?

Mr. MOTLEY. The critical aspect of the money is two-fold, Senator Stennis. It is not the number of $14 million.

As one of your colleagues said earlier this morning, it is not a budget question. The issue is the signal it sends, number one, on the resolve of the United States officially as a Government with regard to the issue that we are facing.

The freedom fighters have managed to survive without any U.S. assistance for a long time. They will not tomorrow dry up because Congress does not vote $14 million.

Obviously, $14 million would help them a lot. The object of the exercise is to provide the motivation, Senator, motivation to the Sandinista Government to go to the bargaining table with their Nicaraguan democratic opposition.

We all think it is wonderful that Duarte got out and did that in El Salvador. We applauded Betancur who has done this in Columbia. We are asking no more of this Communist Government—an internal dialog situation with a democratic opposition—than has been done in other countries.

So, there is a symmetry there. We feel that is the true way to continue within the spirit of the Contadora search for a peaceful regional political solution. The motivation is that our assistance will be kept in a humanitarian and not in an armed aspect as long as the Sandinistas are faithfully engaged in this dialogue.

You asked me as to what do I think the chances are. I have heard the argument that the Sandinistas rejected it out of hand the day after the President announced it. You might recall, Senator, that the Soviets said they would never go back to the bargaining table, yet they are now with some of your colleagues back in Geneva even though the cruise missiles are still in Europe and that was one of their objections.

The Sandinistas themselves said earlier this year after they had gone into the Costa Rican Embassy, broken into the sanctuary with diplomatic immunity, and removed a Nicaraguan citizen that they would never turn him over to the Costa Ricans, but later found a way in which to turn him over.

Even the totalitarian governments, when they see it is in their best interests, sometimes change their mines. I think we have to keep that in mind.

Senator STENNIS. I voted for this provision, but then there was the incident with the mining of ships and all. I got off your train mighty fast then.

Mr. MOTLEY. I recall.

Senator STENNIS. I believe that was a terrible mistake. But we can't make progress by continuing to bring that up. I am interested in the program you have that may be the basis for a betterment here.

As I understand it you now have a different group of people who are going to handle this money altogether and not take a chance on a second error?

Mr. MOTLEY. I can answer that two ways for you to give you the assurance that you are looking for.

One; under the continuing resolution that you passed on October 10, it is very explicit as the chairman read, I believe, that there is no direct or indirect U.S. assistance to it. So, there is an absolutely, totally, more than arm's length. There is no breach there between our two branches in any form or another.

Second; the group that you made reference to is the group that has been formed, I believe, and met in San Jose, Costa Rica, and issued a declaration on March 1 and that group includes the political leadership of the anti-Sandinista, the armed opposition, the FDN, and the unarmed opposition within Nicaragua.

So, the composite opposition group with which the President has asked the Sandinistas to dialogue is a combination of all of the opposition groups within and without.

IMPACT ON EL SALVADOR OF RELEASING $14 MILLION

Senator STENNIS. Mr. Chairman, I just want to point out and at the same time protest the idea of our continuing to pass—this is something Congress has done now—continuing to pass these provisions with limitations on our own rules. We are going to review this money again, but it won't be subject to amendment.

I think, gentlemen, that is a deterioration, with all deference to everyone, that is a deterioration to our normal processes and adds to the problem both for the executive and legislative branches.

The people don't understand this process very often and that hurts the program, too. I hope we can find some way to let this

thing be handled, if it has to be passed on a second time, in more of a normal process.

Can you give us any idea of the impact on El Salvador that release of this money would have?

Mr. MOTLEY. I think there can be two impacts.

I think one can be a physical impact and the other a psychological impact.

The physical impact could be, if it is released in accordance with the proposals put forward by the President, it could aid in the disruption of the supply lines from Nicaragua to El Salvador.

From the psychological point of view, I think it shows to the region, and this is an important aspect to friends there, it shows that the U.S. Government will in fact move to help protect their freedom even though they are not in an old-fashioned conventional war, but rather combating the subversion which is the reality of today's warfare in Central America.

Senator STENNIS. Generally speaking, do the countries in Central America expect a favorable impact by this step that we are proposing today?

Mr. MOTLEY. Yes, sir. I think so.

I think I submitted for the record a publication of April 11 called "The Nicaraguan Peace Process, A Documentary Record," in which there are statements of initial regional support for the President's proposal.

It is a statement from nine of the presidents of the different countries. They range from not only El Salvador, as you asked about, but Colombia and Honduras, Mexico, Panama, Venezuela, Ecuador, Costa Rica, and Argentina. I think the statements speak for themselves generally. I won't take the committee's time to read them.

Our assessment is that it is a positive reaction to the President's initiative.

LIMIT ON REQUESTED FUNDS

Senator STENNIS. Mr. Chairman, I am afraid my time is about up.

What kind of promise do you make now, that this will be all the money that you will request for the remainder of the current fiscal year?

Mr. MOTLEY. It is difficult for me to make promises because I don't make all the decisions, but let me tell you that I understand the thinking. Let me take you back to October 10, 217 days ago, when the President's proposal was voted on in the continuing resolution. A fence was put around it, and 217 days later, actually 210 days later, the President saw there was some opposition in the Congress and so he changed it radically to what you saw on April 4.

So, now coming up to vote next week in both Houses is a compromise position of the same amount. Assuming that passes, it was the last time I checked with the President and Secretary of State and National Security Adviser, the intention that that would in one form or another take us through the fiscal year.

So, there is nothing contemplated in a supplemental point of view, assuming that.

Senator STENNIS. I have nothing further, Mr. Chairman.
Senator MCCLURE. Thank you, Senator Stennis.
Senator Proxmire?

REGIONAL SUPPORT FOR PRESIDENT'S PEACE PLAN

Senator PROXMIRE. Thank you, Mr. Chairman.
Mr. Motley, on page 6 of your statement you said, "The documents of current history support the wisdom of the President's peace plan."
You then say:

> Betancur of Colombia emphasized that dialog fit within the philosophy and within reach of the Document of Objectives which the countries of Central America freely signed.

This morning in the New York Times Thomas Anthony Lewis writes,

> President Betancur of Colombia first spoke favorably of the Reagan plan. This week he said Mr. Reagan had not told him it included aids to the Contras. That link made it no longer a peace proposal, but a preparation for war.

Mr. Motley, that statement by President Betancur, if it is accurate in the New York Times, throws a very big hole in your testimony unless you can show convincingly or also you can convincingly, I should say, refute it.
Here you tell the committee that virtually the entire Central American community applauds the President's proposal and you single out Betancur as approving. We find Betancur has now branded the Reagan plan as a preparation for war.
What is your answer?
Mr. MOTLEY. First; what I would like to do is read to you what President Betancur said, both in the national address to his country and in the press conference here.
Second; I will tell you I have met with President Betancur during the time he was briefed on this, both before the meeting with the President, during the meeting with the President, and afterwards.
I don't know whether Mr. Lewis has met with Mr. Betancur or not, but I will tell you what I know.
Third; President Betancur yesterday sent a letter to President Reagan in which he outlined his thoughts on President Reagan's letter to him on April 4 that outlined the peace proposal.
I was present when he was given the peace proposal and the letter which included everything you have and they have submitted for the record.
I think Mr. Lewis is in error when he says President Betancur did not know about it.
Senator PROXMIRE. You said, Mr. Motley, earlier, that the initial reaction of these leaders was the way you described it.
Mr. MOTLEY. Fine, I tell you——
Senator PROXMIRE. Do you deny Mr. Betancur made this statement?
Mr. MOTLEY. I don't know whether Mr. Betancur made the statement.
What I am trying to tell you is that I think the Embassy of Colombia is going to make public, if they have not made public, a

letter, dated April 17 to President Reagan from President Betancur in answer to President Reagan's April 4 letter.

I think you will find in all of the public statements that he has made as a matter of record—that is when people are taking transcripts of it, like a national address or a press conference, not these other things that may or may not have happened in different places—you will find he addresses all three issues, that is, cease fire, dialog and also military assistance.

Senator PROXMIRE. Mr. Betancur's latest statement, if you can't refute it says——

Mr. MOTLEY. You are asking me to refute what Mr. Lewis said Mr. Betancur said.

What I have offered for you for the record is the two statements that he has made in public and when the Colombian Government, and I give them the courtesy of releasing their President's letter, which they are going to do, it will be a further evidence of what President Betancur said.

I also talked to a senior Colombian official the day before yesterday after the first New York Times article. He was present in the interview with the New York Times correspondent—not Mr. Lewis—and he expressed dismay to me that Mr. Brinkley's article did not mention that President Betancur had talked about the dialog aspect and had talked about the cease-fire aspect and the positive aspects.

I am not going to sit here and refute what Mr. Lewis thinks Mr. Betancur said. I have offered for the record for you what Mr. Betancur said and the Colombian Government, hopefully, will provide for you what he has said in writing to President Reagan.

I give them the courtesy to give you that answer.

VIEWS OF CHURCH LEADERS

Senator PROXMIRE. You speak of the Catholic Church as if it were a supporter of the President's plan. Mr. Lewis, commenting on the President's plan, that Pope John Paul had continuation of efforts in Central America, said the President had not meant to suggest Papal endorsement of the President's plan for aid to the Contras.

Does that mean that Pope John Paul is or is not supporting the proposal?

Mr. MOTLEY. I tell you, Senator, I have been following the people in my area of responsibility. I will get an answer for you. I must be very candid with you. I have not followed what the Pope said.

You brought up the church. One of the issues we get into is what the church says, what does the church not say. I would like to submit for the record some of the things that the Nicaraguan church leaders say, that is the actual Nicaraguan church leaders and also the El Salvador church leaders because they are a religious church people, the Central Americans, and I think they are in a position to understand better the whole issue.

These are prior to the President's peace proposal. I think it gives you the idea. For instance, in the pastoral letter from the Nicaragua bishops of April 22, 1984, it said, among other things, those

who have taken up arms against the government must also participate in this dialog.

Thomas Borge, not a church leader, but one of the nine, reacting to the pastoral letter, said those bishops belong to a race of traitors.

I would like to submit those for the record.

Senator PROXMIRE. If you will put those in the record, that will be fine.

Mr. MOTLEY: They will be made part of the record.

Nicaraguan Catholic Church
(Quotations)

Pastoral Letter on Reconciliation from the Nicaraguan Bishops, Easter Sunday, April 22, 1984, Managua, Nicaragua:

"The road to social peace is possible through dialogue, sincere dialogue that seeks truth and goodness....

"It is dishonest to constantly blame internal aggression and violence on foreign aggression.

"It is useless to blame the evil past for everything without recognizing the problems of the present.

"All Nicaraguans inside and outside the country must participate in this dialogue, regardless of ideology, class, or partisan belief. Furthermore, we think that Nicaraguans who have taken up arms against the Government must also participate in this dialogue. If not, there will be no possibility of a settlement, and our people, especially the poorest among them, will continue to suffer and die."

Tomas Borge interview in June 4, 1984, edition of Mexico's Excelsior (This interview took place shortly after the Catholic Bishops issued the April 22 Pastoral letter.):

"If anyone protests against a given issue, it is immediately assumed that he is protesting against the revolution, instead of merely accepting it for what it is.

* * *

"Those bishops belong to a race of traitors, to the sector that has turned itself over to imperialism....The stand taken by such individuals, enemies to their country and their people and traitors to their own homeland, causes indignation."

Senator Kennedy, Congressional Record, May 22, 1984

"When it comes to dealing with their critics in the Catholic Church in Nicaragua, the Sandinistas are flunking the test. And when it comes to taking concrete steps aimed at achieving a meaningful dialog with their opponents--the only real basis for an enduring national reconciliation--the Sandinistas are falling far short of their promises.

"...They [Nicaraguan bishops] called for national healing, reconciliation and dialog among the people of Nicaragua. The Sandinistas' response brought back memories of their confrontation with Pope John Paul II when he visited Nicaragua. They called the bishops' pastoral message criminal and accused the bishops of being instruments of counter-revolutionaries.

"This is not the language of tolerance or religious freedom. These are not the words of people who are genuinely pledged to pluralism. This is not the rhetoric of a leadership determined to bring peace and reconciliation to all of the people of Nicaragua.

* * *

"The Sandinistas' response to the bishops' letter is unacceptable. When the bishops voiced concern for the suffering of the Nicaraguan people, the Sandinistas accused them of abetting foreign intervention. When the bishops urged negotiations and dialog for peace, the Sandinistas accused them of criminal statements. When the bishops called for freedom, the Sandinistas accused them of seeking confrontation."

Archbishop Obando y Bravo, Washington Post, July 10, 1984 (Archbishop Obando commenting on the expelling of 10 foreign-born priests):

"Marxism is trying to eliminate the Church in Nicaragua because Marxism is the enemy of the Church."

Archbishop Obando y Bravo, Washington Post, June 22, 1984:

The Sandinista government "intends to eliminate the Catholic Church in order to implant the so-called Popular Chruch."

Bishop Vega, El Nuevo Diario, Managua, May 3, 1984:

"They [Sandinista government], in their totalitarianism, do not believe in the existence of any spiritual rights. We maintain that these rights are a gift from God--something sacred that no person may touch."

Ronald Radosh's "Darkening Nicaragua," in The New Republic, October 24, 1983:

"Merely to support the traditional Church has become per se an act critical of the regime....In response to the coolness toward the Sandinistas of Archbishop Obando y Bravo--who had supported the overthrow of Somoza--pro-Sandinista priests created the "Popular Church," a miniscule sect seeking to blend Catholicism and Marxism along the lines of the new liberation theology."

Father Ernesto Cardenal, Minister of Culture, quoted in Alan Riding's "The Revolution and the Intellectual in Latin America," New York Times Magazine, March 13, 1983:

Cardenal explained his spiritual evolution as a result of a visit to Cuba in 1970: "It was like a second conversion. Before then, I was trying to find a third way, which was the revolution of the gospel, but then I saw that Cuba was the Gospel put into practice."

Tomas Borge, Radio Sandino, Managua, July 30, 1982:

"...all we ask of them is that they [the leaders of the Catholic Church] teach the Gospel and spread God's word, and that they not plot against the revolution or accept the CIA's money. Instead, in the class struggle that is going on in this country, they have decided to side with the exploiters, the wealthy and the imperialists."

Statements by Salvadoran Church Leaders

In discussions about Central America and particularly El Salvador, many critics of U.S. policy have quoted men of the cloth, for example, Archbishop Oscar Arnulfo Romero, in an effort to portray the United States as an superpower that supports right wing death squads in El Salvador and militarization of the region. These negative quotations usually date from the period 1979-1980.

Much has changed in El Salvador since 1980 and many of the statements made about human rights abuses are not representative of the situation in 1984. During the past two years, the Government of El Salvador has carried out successful democratic elections, pressed forward with political and agrarian reform, and succeeded in curbing sharply violence from the extreme right. The statements by Salvadoran Catholic Church leaders have reflected the changing reality in El Salvador.

Since the presidential elections in May 1984, the Catholic Church has been even more critical of guerrilla activities in homilies and in San Salvador's Catholic Diocese weekly "Orientacion," which usually represents the position of the Church on important issues. The Catholic Church has condemned guerrilla activities such as destoying economic infrastructure, burning buses, blowing up power and communication lines, forcefully recruiting youths into guerrilla ranks, and demanding power sharing between the Government and the FMLN/FDR.

Furthermore, the Catholic Church has stated that human rights and control over death squads has improved notably. Although the Church opposes arms flow in Central America, it has never held that U.S. military aid should be halted unilaterally.

These quotations of Salvadoran Church leaders can be used in discussions with foreign nationals, in speeches, or as a handout to refute inaccuracies or misconceptions about the Church position in El Salvador today.

1984 QUOTES BY SALVADORAN CHURCH LEADERS

DUARTE ADMINISTRATION STRUGGLE AGAINST POLITICAL VIOLENCE

Archbishop Rivera y Damas' September 2 Homily:

There has been a notable improvement, as much as could be expected in a country at war, and in a situation so serious and complex.

GUERRILLA REBELS

Editorial from July 8 edition of San Salvador Diocesan Weekly "Orientacion":

...the guerrilla actions cannot be justified at all. Their banners are no longer clean, nor can they find any reasonable or valid arguments for their incredible destruction of which the people, and only the people are the victims, as hunger, unemployment, suffering, and moral anguish increase for the Salvadorans. The kind of democracy and justice they proclaim as their intended goal is very doubtful....

* * *

That is why the church has condemned the inhumane and unpopular actions of the guerrillas. That is why they [the guerrillas] are angry and have violently criticized the auxiliary Bishop Msgr. Gregorio Rosa Chavez on Radio Venceremos....

* * *

The guerrillas don't want to believe that their methods can be wrong and that the people are not with them.

Bishop Gregorio Rosa Chavez's July 1 Homily:

This, then, is the great question the guerrillas have to ask themselves. No matter how often they attempt to justify their actions of sabotage with arguments that they fight against the government, against oppression and what they call the oligarchy, it is the people who ultimately pay the price. It is the people who suffer when the guerrillas down the towers that carry the cables of electric power; it is the people who suffer when the guerrillas dynamite telephone installations; it is the people who suffer when the guerrillas recruit youths by force; and, it is the people who suffer when the guerrillas kidnap, demand their famous war tax or devote themselves to burning vehicles as they did recently. If they continue along that path, as they increase in military strength, the weaker they will be politically and will have even less space in the heart of the people. Therefore, I ask myself, in whose favor are they really fighting?

Havana International (radio) Service, July 5, 1984, comment on Bishop Rosa Chavez's July 1 Homily:

The FMLN has expressed concern over the rightist turn they have observed in the national Catholic Church's position, which was obvious in the homily presented last Sunday by Gregorio Rosa Chavez, Auxiliary Bishop of San Salvador. On this occasion he criticized the Salvadoran rebels for temporarily occupying the Cerron Grande Dam, one of the most far reaching actions carried out by the patriotic forces of that Central American country.

The Salvadoran priests even support the regime's demand that the guerrillas unarm as a requirement for initiating any kind of negotiations.

Editorial from June 24 edition of San Salvador Diocesan Weekly 'Orientacion':

The guerrilla is unjust, totally unjust, and cannot legitimize his actions. He goes against the will of the people who have rejected him and want to make their own way. He is unjust in his methods, in wanting to damage the country's economy, breaking it off at its base: Damaging the family economy, since his actions go against the small businessman when he burns buses and trucks.

Everything is for them a military objective and everything serves the cause. Their objective is to seize power.

Editorial from May 20 edition of San Salvador Diocesan Weekly 'Orientacion':

[The guerrillas] are in a hurry to attain power.... they not only attack army garrisons and patrols but also take

over small towns with no strategic importance, with the only purpose of increasing the chaos, forcing the inhabitants to abandon their homes, and thereby increasing the number of people in the displaced persons camps and the misery villages surrounding the larger cities.

. . . We can say with absolute certainty that the three elections in a two-year period have constituted a true plebescite in which the people have expressed their will, their faith in democracy, their desire for peace, their rejection of violence, and their intrinsic condemnation of the guerrillas.

Therefore, the Salvadoran people must be protected in their rights, encouraged in their hopes, and protected against an enemy that forces them to flee their fields, who destroys their places of work, who impedes their efforts to achieve peace, who has obstructed the democratic process.

To fight the enemy we must have money to generate work and arms to defend the people's rights.

Editorial from May 13 edition of San Salvador Diocesan Weekly "Orientacion":

From a political point of view and regarding respect for human rights, this country is no paradise. There is violence and repression and some civic rights are curtailed, though we could say that this is not done for the fun of it: We're burdened by the pressures of a country at war, struggling against a group of Salvadorans bent on total destabilization, daily engaged in violent acts such as kidnappings, "executions," sabotage, and so forth. In the social field, there is the reform process that needs time to consolidate and bear fruit. Besides, we now have a more clearly defined democratic process which places us on the same course as other free nations.

* * *

In all honesty, we're not the same people that we were a long time ago in our historical past; and least of all, we're not the same country of the (Colonel) Molina and General Romero years, when political and economic conditions offered no hope for the people.

FORCED RECRUITMENT BY GUERRILLAS

Bishop Gregorio Rosa Chavez's June 10 Homily:

We cannot be silent before such barbarism. We must condemn those who kidnap in order to fill their pockets, or as a political weapon to free their detained comrades, or in order to force an unjust negotiated solution to the national crisis. No one has the right to bring this additional suffering on a nation in which no family has escaped the blows of violence.

ARMS FLOW TO CENTRAL AMERICA

Archbishop Rivera y Damas' August 12 Homily:

I am against all arms flow to Central America and especially to El Salvador. My words, however, should not be interpreted to be a unilateral condemnation in only one sense. The problem is complex. The complexity of the problem demands serious study and public debate because it is central to our brothers' lives.

LIBERATION THEOLOGY

Auxiliary Bishop Gregorio Rosa Chavez's September 23 Homily:

The Church cannot accept that the Marxist line be adopted in order to defend the poor as this would lead to the acceptance of class struggle and even of the use of violence. Experience has demonstrated that when this path is followed, in the end, the poor are submitted to new types of slavery while also being deprived of the treasure of religious faith.

NICARAGUA

Column from August 5 edition of San Salvador Diocesan Weekly "Orientacion":

...it is reported that they (the Sandinistas) have one hundred medium Soviet tanks and twenty light amphibious tanks, and also dozens of small military installations, some of them in buildings that used to house civilian institutions.

We can choose to not believe this report entirely. It is possible that they may have twenty medium Soviet tanks, perhaps they have only five instead of twenty amphibious tanks. But what is true--and not even the most skeptical person can deny it--is that there has been an arms flow into Nicaragua. And there is an interesting angle here: there have been voices condemning U.S. military assistance to El Salvador but nothing has been said about Soviet military aid to Nicaragua. The simple truth is that Nicaragua is granted a right which is refused to El Salvador. It is not that we are bellicose or hawkish; rather, we don't want to be considered naive for thinking that Nicaragua has established compulsory military service for physical and cultural reasons only, and that it is arming itself for the sole purpose of having colorful military parades on July 19 (the Sandinista revolutionary anniversary).

Editorial from June 24 edition of San Salvador, Diocesan Weekly "Orientacion":

La Prensa has suspended publication on 23 occasions, since the current leftist regime instituted press censorship in March 1982, apart from the seven shutdowns it has suffered by order of the Ministry of the Interior.

This kind of "democracy" is the system that the people in the hills and their leaders in Managua and Mexico pretend to install in our country.

Just as totalitarian countries of the right undermine freedom with the principle of "national security," the totalitarian governments of the left undermine the same liberties in the name of "Defense of the Revolution."

TOTALITARIANISM

Bishop Rosa Chavez's July 8 Homily:

The Church is an annoyance for all forms of totalitarianism--both of the right and of the left--for both oppress mankind despite their claims that they seek his liberation.

DIALOGUE

Editorial from August 26 edition of San Salvador Diocesan Weekly "Orientacion":

There is nothing there of the unacceptable demands proposed by the FDR/FMLN to find a solution to the Salvadoran crisis. It is obvious that these groups, when proposing such dialogue, are looking for a way to grab and consolidate their political power through the Ministry of the Interior, which they claim for themselves; a reorganization of the armed forces to include their own comandantes and guerrilla militants; control of the educational system. Then, of course, there would be elections when their victory is assured through the votes of all the youths indoctrinated during two or three years.

That is the kind of political solution that the FDR/FMLN really wants. That is the kind of dialogue that the Salvadoran leftists are crying for, portraying themselves as men of peace. It is a "tactical dialogue" to grab power.

Editorial from July 29 edition of San Salvador Diocesan Weekly "Orientacion":

The question of a dialogue is especially difficult because of its ambivalent nature. A concrete dialogue which calls for political conditions, control over the educational system, control over the military, and political control, such as that promoted by the FMLN and the FDR, is one thing. Dialogue in the abstract, as a humane value based on the Gospels' teachings, which can bring man understanding and peace, is quite another.

ELECTIONS

Auxiliary Bishop Gregorio Rosa Chavez's March 25 Homily:

I think that the solution is clear: one must opt for the democratic way--which goes through elections....The peoples of the world are watching us. I hope that they know how to grasp the profound motivation which brings Salvadorans to the electoral urns--the conviction that it is possible to achieve peace through non-violent means.

Auxiliary Bishop Gregorio Rosa Chavez's May 6 Homily:

In our convulsed history, the impossible can definitively begin to become possible today thanks to the presidential elections which are taking place throughout almost the entire country in spite of the insistent interference of the guerrillas.

FUNDING FOREIGN CONFLICT UNTIL WHEN?

Senator PROXMIRE. We are told $14 million is a small amount, and as things go, particularly in military affairs, it is, but National Security Affairs Adviser, Robert MacFarlane, recently said, "If we approve this amount, the funding has to be sustained in successive votes to come, but what funding it will involve cannot be predicted."

That statement raises a disturbing historical parallel. You are asking us to fund a foreign conflict. You are acknowledging this is only the first of many such requests.

Tell us now how soon will you be back to ask for more?

Mr. MOTLEY. I don't think this is the first request. I think the first request under the program was in 1981, approved by the Congress in 1982 and approved by the Congess in 1983 and again in 1984 with a fence around it.

So, I don't think it is the first program. I don't think there is any doubt also in light of Senator Stennis' question to me. I took it in the context of a supplemental in fiscal year 1985.

I think it is a logical assumption that in the fiscal year 1986 budget it is something certainly we are considering to include, because we don't think $14 million totally solves the problem.

Now, miracles can happen. There can be within a period of 60 days or 90 days a total reconciliation, elections, absorption of all the thousands of Nicaraguans that have not participated in the political process, and maybe this would rule out another request, but I don't think that is a realistic appraisal at this time.

Senator PROXMIRE. Would the administration support an amendment to the resolution providing $3 million to the Red Cross for humanitarian assistance and $11 million to the Contadora peace process organized by Colombia?

Mr. MOTLEY. I will take that under consideration to the Secretary of State and the President. He had 217 days and in that period of time listened to a lot of ideas.

You have put forward a specific proposal. I will take that to them. I think you will find in examination, however, under the Red Cross or UN Red Cross, to a certain degree it is unworkable. There are certain things we cannot abdicate.

Nevertheless, that is an initial reaction on my part. I thank you for putting a specific proposal forward. I will take it at the end of this meeting to the Secretary and the President.

Senator PROXMIRE. Would the administration suspend the expansion of military forces in Honduras if the Sandinistas agreed to a cease fire and negotiations and ended their official state of emergency?

Mr. MOTLEY. I will take that proposal to the President. These are the kinds of specific things that get a lot closer to just not liking what was in the resolution in the first place. I thank you for it.

Senator PROXMIRE. Thank you.

Senator MCCLURE. Thank you.

Senator D'Amato.

Senator D'AMATO. Thank you, Mr. Chairman.

CHANCES FOR SUCCESS OF CONTADORA PROCESS

Mr. Secretary, a negative vote in either House will effectively lock up the $14 million the administration seeks in continuing covert assistance to Nicaragua.

Do you believe the Contadora movement will continue to be an effective force in Nicaragua without the U.S. assistance?

Mr. MOTLEY. I think that the anti-Sandinista movement will continue. I think the proof of the pudding is that it has continued for many, many months, almost a year, without U.S. assistance.

The question is not whether they can continue or not. The object of the $14 million is to give a chance to go after a peaceful process so that you can stop this fighting that is going on there.

That, I think, is the specific question, not whether they can continue or not. I think they will continue. A no vote that prevails continues the violence without [opening] the door on some sort of peaceful process.

Senator D'AMATO. Let us take it one step further.

You say a no vote, in your opinion, means continued violence and hostility.

Mr. MOTLEY. That is correct.

Senator D'AMATO. If the $14 million were to be approved, what other specific initiatives will the administration propose to promote this stability and democracy in Central America?

Mr. MOTLEY. We will continue to support the Contadora process which has made remarkable progress. They are right now down to the nitty-gritty aspects.

We would entertain, as we said earlier, and I will clarify it because there seems to be some misunderstanding, that if there is progress made in Contadora and if we deem it useful to that Contadora process, we have an open mind about continuing our direct dialog with the Nicaraguans.

We will obviously do what we can do to help the mediation of the church and the opposition to get on with the dialog which is a central issue of the peace proposal of the President.

NICARAGUAN ATTITUDE

Senator D'AMATO. What, if anything, do you see is the attitude of the Nicaraguans? Do you believe that there is an opportunity or hope for that kind of exchange in dialog to take place?

Mr. MOTLEY. I think based on their record today, you would have to say that it is difficult to be very optimistic over it. I think there is an opportunity there.

As I said earlier, before you came in, totalitarian governments have shown they can change their minds when it is in their best interests. So, I think it is a possiblity.

Senator D'AMATO. Mr. Chairman, I thank you.

Senator MCCLURE. Thank you.

Senator Sasser.

ORIGIN OF WORDING OF RESOLUTION

Senator SASSER. Mr. Chairman, I want to go on record as endorsing the statement made by my distinguished colleague from Wis-

consin. On matters of great gravity such as those we are dealing with today, I think the record is incomplete and unbalanced if we don't have witnesses from both sides of this issue.

Now, I remember well when we were debating the MX controversy, this committee called only witnesses who favored deployment of the MX and it appears to be today we are calling only witnesses who favor aid to the Contras.

I will simply submit if we are only going to hear from one side on the issue, then the record is incomplete.

Mr. Motley, the Senate is being called upon to support a joint resolution which states and I quote:

> That the Congress approves the obligation and expenditure of funds available from fiscal year 1985 for supporting, directly or indirectly, military or paramilitary operations in Nicaragua.

Now, it appears to me, as one who has spent 15 years in the practice of law and drafting documents before coming to this body, that that is an extraordinarily broad resolution. Nothing is said in here about limiting aid to Contras.

Indeed, this resolution could be the basis for expending funds for U.S. Marine Corps operations in Nicaragua, for CIA operations in Nicaragua, or any number of things.

OPEN-ENDED ASPECTS OF RESOLUTION

Do you agree with that reading of this resolution and is it the intent of the administration to have such an open-ended resolution that these funds could be used for operations other than sustaining the Contras?

Mr. MOTLEY. Senator Sasser, I think, to answer your question, number one, you have to understand who drafted that, why it is in the form it is, and some of the dilemmas we have.

My understanding is that it was drafted in the conference on the continuing resolution. What you have done, as I understand it also with this resolution, as is similar with the MX, is that you have broken new procedural parliamentary grounds in which you authorize and appropriate money in a continuing resolution not to be spend by *x* date.

What is new is that you now put a fence around it requiring a positive vote as opposed to the absence of a negative vote, which Senator Stennis was addressing earlier. Also, as a part of that, it says that after February 28, the administration can introduce this already prewritten resolution that would in fact remove the prohibitions that enter into law.

So, what we have done is followed scrupulously what was handed to us in the conference on October 10. Now, the President understands that he does not have the flexibility to modify that resolution and he understands that you don't have the flexibility of amendment, something you voted on in the continuing resolution.

In order to accommodate the obvious discomfort with that resolution, for the reasons that you have put forward, the President did on April 4 say: I am requesting this resolution. I have no choice, but, because the legislation says what I must do, but here is how I pledge I will spend it. This is the closest way in which he can, in

essence, amend it for your consideration. There is no other way around it.

I think we have looked at it very closely. I am not a lawyer. I may not have drafted it that way, but that is what we are faced with under this process you have.

As I said, the President is open. He has looked at this thing. He has put forward a program and says I will not, and that is as close as we can go under the procedures following congressional action.

ASSURANCES ON NONMILITARY AID TO NICARAGUA

Senator SASSER. I just want to be clear. I don't want to be faced down the line with this resolution being used by the administration to say to the Congress: look, you endorsed this, you endorsed expending funds for U.S. military operations in Nicaragua, using U.S. troops, or you endorse the use of CIA personnel in Nicaragua and here is the resolution that you voted for.

I have been confronted with that before. I just want to be crystal clear that if this resolution is supported by the Congress, we are not indeed endorsing or supporting the expenditure of funds for direct U.S. military operations in Nicaragua, nor are we endorsing or supporting the expenditure of funds for CIA operations in Nicaragua in a military of paramilitary fashion.

Mr. MOTLEY. In order also to give you that assurance, the President at the time in which the resolution was introduced delivered to the Congress a report, much of which is classified, part of which is unclassified, and which this committee has.

There, I think, in that classified version as well as the unclassified, it spells out precisely what our understanding is under the proposal put forward by the President.

I think that may have been the genesis of Senator McClure's suggestion that if necessary we can go into a closed session to discuss that. I think it is crystal clear, if you read it, you will find the assurances you are looking for there.

INCREASE IN CONTRA SIZE

Senator SASSER. In this morning's edition of the New York Times a distinguished reporter, Mr. Hendrick Smith, reports that the administration wishes to expand the size of the Contra or insurgent forces putting pressure on the Nicaraguan Government and he reports that you wish to expand the force up to 20,000 to 25,000 men in the north and 5,000 to 10,000 men in the south.

Now, that will be, in effect, a doubling of the present Contra forces in Nicaragua if that takes place.

Mr. Motley, is it the intention of the administration to double the size of the counterrevolutionary forces operating in Nicaragua?

Mr. MOTLEY. I don't think that is a fair assessment of the administration's intent. Obviously, we are here 217 days later looking for $14 million now dedicated to the humanitarian assistance for 60 days.

It is difficult to help sustain an existing force, much less build it up. I think the figures that get bandied about and get bandied about in different groups, 15,000, 25,000, is based on the kind of independent support that the anti-Sandinistas have found.

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We have reports that a company size of 50 go out and they come back with 80. I think these numbers that you hear may be an estimate as to the ability to expand based upon the possibility of support and do not reflect the administration's planning.

Senator SASSER. It just occurs to me that you indicated earlier, Mr. Motley, that a vote of no on this resolution could lead to continuing violence in Central America.

Now, conversely, a vote of yes on the resolution could lead to a doubling of Contra or counter-revolutionary activity down there by way of numbers. That appears to me to be an escalation of the violence rather than diminishing it.

Mr. MOTLEY. Well, the way I read that resolution, what you have out there is a standing offer that the democratic opposition has agreed to, that the church has agreed to mediate, that the President has agreed to, to have a cease fire and sit down and talk. That holds for a period of 60 days.

If they talk, you will have the continuation of the cease fire and continuance of dialog. So, I would not agree with your assessment.

I would say a yes vote gives you a shot at a cease fire and dialog.

PROMOTION OF PEACE DIALOG

Senator SASSER. On March 3, one month before President Reagan unveiled his proposal, the conference and some of the political opposition to the Sandinistas offered a cease-fire and a national dialog with the Sandinistas with a deadline of April 20.

Now, they indicated in their proposal; that is, the Contra proposal to the Sandinistas, that after April 20 had come and gone, if there were no dialog leading to participation in the Government, then expanded, I emphasize expanded, military operations would take place.

Now, that proposal is almost identical to the proposal that is now being put forth by the President, except the President did give the Sandinistas additional time from April 20 to June 1.

Now, what indication does the administration have that the proposal turned down originally, offered by the Contras, would be accepted if offered by the President?

Mr. MOTLEY. Let me give you some of the things that have happended since they offered that on March 1 and see if you think they have influenced the decision.

One; since they turned it down, the church offered to mediate.

Two; the President's proposal has come forward.

The United States has said we will go only humanitarian as opposed to the $14 million that was written in the continuing resolution that could have been used for arms. It shows a willingness of the United States to promote dialog.

Since then you have had statements from nine presidents supporting the dialog and cease fire effort. You are now getting in Latin America and the Western Hemisphere a buildup of support for the idea of sit down and talk.

So, I think it is a legitimate point. I think you are having more pressures brought by Nicaragua's neighbors. I think it is a path to follow.

EXPANSION OF MILITARY OPERATIONS

Senator SASSER. It is implicit in the offer made by the Contras that there would be expanded military operations if their proposals weren't taken up?

Is that the case, also, with the adminsitration's proposal that if it is not adopted and if it does not lead to a dialog that expanded military operations will ensue?

Mr. MOTLEY. I think the best way I can answer that is as I answered earlier. We are asking for, based on your resolution, $14 million. We have pledged to spend it for food, clothing, shelter and humanitarian aid, as spelled out in the report.

If, in fact, that time date does pass, the 60 days, and there is any money left and they have not entered into a dialog, then we will spend that in the balance of the fiscal year on lethal aid in accordance with the pledge made by the President in the proposal before you.

Then, as I said earlier, you can expect a program of one sort or another depending on what happens, for the fiscal year 1986 program.

The problems in Central America did not come up yesterday. They are not going to go away tomorrow. We have laid out a plan that I think enhances a peaceful purpose and we will continue to monitor it as we go though events on the ground and your budget process leading to it.

As I said earlier, we are not looking for any fiscal year 1985 supplemental in that sense, but I think you can expect something in 1986.

PURPOSE FOR SUPPORTING CONTRAS

Senator SASSER. One more question.

The reason or rationale for supporting the Contras was that they would be used to interdict arms and ammunition being transshipped from Nicaragua to the Salvadoran guerrillas.

Have the Contras interdicted any arms or amunition in the past year?

Mr. MOTLEY. They have captured a lot. If you call that interdicting, yes.

I will tell you. There was a period of time when there was no U.S. support. A lot of their tactics were capturing weapons and ammunition in order to keep going.

Senator SASSER. Do you have any tangible evidence that could be offered this committee that we have indeed interdicted arms being transshiped from Nicaragua to El Salvador?

We saw the weapons that came up from Grenada. Is there any reason why the administration can't bring up the weapons that have been interdicted?

Mr. MOTLEY. We can bring them up. We have had them on TV in San Salvador. We have had them on TV here. We have given them to different committees by serial numbers, U.S. weapons shipped out of Vietnam via Cuba. We will be happy to give you that information.

Senator MCCLURE. The Senator's time has expired.

Senator SASSER. I would like to see some of that because my information is that there has been no substantial weapon interdiction in the past here.

Senator MOTLEY. That information is not correct and we will try to get you that information.

[The information follows:]

SOURCES OF SALVADORAN GUERRILLA ARMAMENTS

The Central American democracies face a serious threat to their stability from forces within and outside the Central American region. Since 1979, Nicaragua has provided a support base for groups attempting to destabilize neighboring governments. This effort has been aided by the Cuban government which has played a crucial role in unifying and supporting the guerrilla groups of El Salvador, Honduras and Guatemala. The denials by Cuban and Nicaraguan officials that their governments are actively supporting the guerrilla groups in Central America are contradicted by the statements of defectors, by information in captured documents, by surveillance of weapons trafficking from Nicaragua to El Salvador and, in many cases, by the weaponry itself.

The Sandinista government is in active collaboration with Cuba and other communist dictatorships in fomenting revolutionary violence in El Salvador and neighboring states. The objective is that of a "revolutionary El Salvador, a revolutionary Honduras and a revolutionary Guatemala" proclaimed by then Grenadian Prime Minister Maurice Bishop and applauded by the Sandinista leadership at the first anniversary of the Nicaraguan revolution.

Most military supplies used by Salvadoran guerrillas and similar groups in Honduras and Costa Rica are provided by communist-bloc countries and funneled through Nicaragua. In mid-1980, an FMLN delegation led by Salvadoran Communist Party chairman Shafik Handal visited Cuba, the Soviet Union, Vietnam, East Germany, Hungary, Bulgaria and Ethiopia to obtain arms for use in El Salvador. Soviet officials helped to arrange for large-scale shipment of U.S. arms, most of which had been captured by Vietnamese forces. These arms were shipped first to Cuba, then airlifted to Nicaragua for subsequent shipment to the guerrillas in El Salvador. This arrangement disguised the Soviet-bloc origin of the weapons and helped lend credence to FMLN propaganda that the guerrillas arm themselves with weapons captured from the Salvadoran army or bought on the the black market. Many of the M-16s captured from or turned over by the guerrillas to the Salvadoran government still bear serial numbers indicating that they were shipped to Vietnam from the United States. Seventy percent of a sample of 1270 rifles either captured from the guerrillas or known to be in guerrilla hands were either positively identified as having been shipped to Vietnam or strongly believed to have been shipped there.

Over the past 12 to 14 months, a compilation of reporting provides convincing evidence that Managua continues to play a key role as a supply and communications center, training base, and headquarters for the Salvadoran guerrillas. There is enough specific evidence to be confident that the supply effort continues and remains a critical factor in maintaining the guerrillas' military capabilities.

While there has been a reduction in materiel support to the insurgency since mid-1984 compared to the sizeable influx during 1982-83, Managua maintains a commitment to supply the insurgency in El Salvador. In addition to intelligence evidence, Sandinista officials, such as directorate members Tomas Borge and Bayardo Arce, explicitly acknowledged Nicaraguan materiel and communications support to the guerrillas.

Nicaragua also continues to provide military training to the Salvadoran guerrillas. A body of reporting over the past year suggests that a few hundred Salvadoran trainees may be at Nicaraguan camps at any given time. For example, a new training camp for Salvadorans was established last year near Santa Julia on Nicaragua's Cosiguina Peninsula. New buildings, a firing range, and an obstacle course are hidden in wooded terrain. The isolated location and proximity to El Salvador make the site ideal for insurgent training and infiltration. Salvadoran trainees receive combat experience fighting the anti-Sandinistas prior to returning to El Salvador. The pattern of evidence is unmistakable. There is no reason to doubt that Nicaraguan support for the Salvadoran guerrillas, in equipment supply, training and in command and control operations continues to be a vital element in outside support for guerrilla activities.

External resupply and support assistance from Nicaragua will remain critical for the Salvadoran insurgents for the foreseeable future. All available evidence indicates that the Nicaraguan regime will persist in providing sufficient materiel for the guerrillas to sustain at least their current level of activity. A variety of reports over the past few months indicate that the guerrillas continue to depend heavily on Nicaragua:

-- reporting from several sources confirms that the most critical need is for ammunition; and,

-- in early 1985 reporting indicated that the Salvadoran Army's increased effectiveness in small-unit tactics has resulted in "substantially fewer" arms captured by the guerrillas, forcing them to bring in more arms from abroad. Sandinista activities elsewhere in the Central American region include training and arms support for radical groups, generally in close cooperation with Cuba. This support has been key to unity efforts and attempts to upgrade the military potential of these groups;

-- Guatemala: Managua and Havana have worked jointly since 1982 to consolidate the principal rebel factions. During the past year, Managua has provided additional support to the Guatemalan guerrillas, which parallels early support for the Salvadoran rebles;

-- Honduras: Prior to 1982, Havana and Managua discouraged armed struggle in Honduras so as not to endanger use of the country as a conduit for arms shipments to Salvadoran

guerrillas. However, as the Honduran government began to intercept arms shipments and disrupt leftist networks, the Cubans and Nicaraguans shifted their policy to more active subversion:

- in mid-1983, the Sandinistas infiltrated approximately 100 Cuban/Nicaraguan-trained Honduran insurgents in an unsuccessful effort to set up a base for insurgent operations and made another abortive infiltration effort in mid-1984; and

- reporting from a variety of sources indicates the training continues, both in Nicaragua and Cuba, and includes combat experience against anti-Sandinistas in northern Nicaragua;

-- Costa Rica: Nicaragua provides arms and training to the armed wing of the Costa Rican Communist Party, which is seen by the hardline faction of the party as the backbone of a potential domestic insurgency.

HEARING PROCEDURE

Senator MCCLURE. Again, let me respond to the comments that Senator Sasser made at the outset of his remarks about the nature of this hearing.

First, I am, as I said at the outset, pinch-hitting for Senator Stevens who necessarily is not here. He, as chairman, made arrangements for this hearing pursuant to the time limit set forth in the statute under which we are operating, necessarily constrained in time.

I would also have to say with respect to the desire of individuals to have witnesses, I am sure Senator Stevens would respond in some manner to any request on the part of any member to have any number or nature of witnesses, but no such request has been made, I am advised by staff.

Senator SASSER. I thank the Chairman for that statement.

Let me say had I been aware of the situation, I would have submitted a list of witnesses.

Senator MCCLURE. I think that is fair and it is the Senator's position to do that, it is also his responsibility to do that. It is not up to the Chairman to divine your desires.

Senator SASSER. I would like very much to hear from Adolfo Calero to find out how he will spend this money.

Senator MCCLURE. Senator Johnston.

NEED FOR POLICY CONTINUITY AND CREDIBILITY

Senator JOHNSTON. Thank you, Mr. Chairman.

Mr. Motley, I will support this resolution if that is the only choice. I don't think it is a good choice. The reason I will support it, is because I think if it is turned down it would be a real blow, not just to the administration, but to the country. I think it would mark an abandonment of the Contras after we have undertaken a policy of support for them.

I think it would make the President appear to be impotent and lack credibility, and in international affairs when the President is impotent and without credibility the country is impotent and without credibility.

I think it would mark a policy without any continuity and it would show a Government without a voice. I think it would be a great mistake to turn the President down on the matter of high priority with him when it is Government, administration, U.S. policy to do so.

Having said that, I think we would be much better off to put this resolution in a different light.

In the first place, we don't need lethal aid from this $10 million. We are told that by everyone in the administration.

In the second place, the trigger that would be pulled after 60 days would have no force, no charge behind it. By 60 days, or whatever the period of time would be, there would be no funds left and there would also be, even if you had the $10 million trigger, that is not much of a trigger, but it wouldn't be $14 million because it would have been spent in the meantime on nonlethal matters.

So, it consititutes no sanction at all as far as the Sandinistas are concerned. Most of all, if you win, you don't win very much. You

win a marginal victory by 52-48 or 51-49, if you can win in the Senate, but if you lose, you lose a great deal.

Now, what I would suggest, since you don't need lethal aid, make your request to the Congress for $14 million in nonlethal aid, make it clear that it is nonlethal.

Second, pull out any trigger at all; in other words, nothing happens at the end of any period of time. You just make it nonlethal, period. But make it clear that the President will ask for further aid of whatever kind and quantity is needed at such time as he thinks that the Sandinistas have shown no willingness to be forthcoming in the negotiation.

In that way the President is able to define what he calls success. He is able to define whatever the proper time period is, and then he would be able to come to the Congress with a much stronger case, which is to say, I have tried, we have tried with nonlethal aid, and it hasn't worked.

He will allow the process to work a little longer. You will have lost absolutely nothing in terms of support for the Contras in the meantime. The rug will not have been pulled out from under them and I think the Congress would coalesce in the support of that kind of resolution. I would recommend that to you.

I know the hour is late for making these changes, but the way I read the Congress, it is going to be very, very close if you can win and I would bet that you wouldn't. I hope you will because I don't want to see this resolution turned down.

Mr. MOTLEY. Senator Johnston, as I said to Senator Proxmire a little earlier, you have put forth something with specifics with it. I will take it back to the Secretary of State and the President. I know that they have an advantage by the fact that 4 days ago he put something forward other than what was in the resolution.

We can get around some of the procedural dilemmas that we face because you do not have a right to amend based on insertions or assurances by the President. I will take it back and I thank you for it.

VARIATION OF PROPOSALS

I will make one comment to you, and this is off the top of my head. I would agree with you that different proposals, both what was in the resolution and what is in the President's, does not seem to jell; people are not totally comfortable with them.

To a certain degree that may be true of what you put forward here also. Again, off the top of my head, I think it is fair in looking at this to say, fine, OK, we go ahead with that, and then the President comes back in a period of time, let us say it is 70 days, for the sake of argument, and he says, here is what I want.

We have no expedited procedure in the House. We have no unanimous consent in the Senate. With all due respect, things do not move with dispatch. We could be sitting here and talking about this and maybe getting a continuing resolution again.

I just point out maybe that is the down side, maybe I am too negative, but that is one of the reasons that with the expedited procedure and a date certain type of vote you feel more comfortable about some kind of action.

Let us face it. There are some issues people don't like to face up to.

EFFECT OF CONTRA AID BILL ON LEGISLATION

Senator JOHNSTON. We must have an appropriation bill of some kind. This would be right on any appropriation bill. It might not be quite as quick under an expedited procedure. But if the administration wants to put forth an appropriation measure, it can be considered by the Congress in time to do the necessary good.

In other words, you could not by filibuster or by other technical means completely bottle up a resolution in the Congress if it deals with appropriations. In my view, you could not do that.

Again, you might not be able to do it in 10 days or 14 days, but you can certainly get it considered this year as part of the regular appropriation cycle because those appropriation bills must move, the Government must be financed.

That will be in time to do whatever we need to do as far as the Contras are concerned. They are not, as I understand it, in danger of drying up on the vine in the next few weeks or few months.

Indeed, Eden Pastora told us, if you cut off aid altogether, we will continue to exist.

Mr. MOTLEY. And they have.

Senator JOHNSTON. So, it seems to me that it would be the better part of wisdom to declare victory, get a cohesive Congress behind something that almost everyone can support.

Some in the Congress will not support aid of any kind even to the Contras because they think what they are doing is contrary to the national interests, but I think most would support and easily support nonlethal assistance.

Mr. MOTLEY. I thank you again. I will take it forward. I bow to your experience and the ability to come back to the Congress afterward.

INDEPENDENT ACTION BY CONTRAS

Senator JOHNSTON. One final question. As I say, Pastora told me, and I understand Calero and the other Contras feel the same way, that their existence was not conceived by or brought about by the United States and that they will continue to exist if aid is cut off.

Is it also fair to say we cannot control them in terms of either? In other words, we cannot call a truce for them unless they happen to agree with it, nor can we control their tactics. Is that correct or not?

Mr. MOTLEY. Yes, sir, I think so. There is an old proverb, no tickie, no laundry. If you are prohibited by law from having no contact with them, you don't know what is going on. If you are not paying the bills, it is kind of difficult for the guy to listen to you.

Senator JOHNSTON. In our bargaining with the Sandinistas we cannot say we will call off the Contras if you do such and such. We may agree to that, but the Contras may say no.

Mr. MOTLEY. That is correct. That is why this national dialog has to get going. The Sandinistas have to sit down with their own countrymen and work it out.

Senator JOHNSTON. Thank you very much.

Senator MCCLURE. Senator Domenici.

Senator DOMENICI. Thank you very much, Mr. Chairman. Although I am not a member of the subcommittee, I understand I am invited because I am a member of the full committee. Thank you for recognizing me.

SUPPORT FOR CONTRA AID

Mr. Secretary, I had previously talked to my good friend from Louisiana about this proposal, that is why I wanted him to precede me.

I am going to vote for the resolution also. I have supported Contra aid to the Nicaraguan resistance from the beginning.

I happen to have been privileged to serve as one of the Senators on the National Bipartisan Commission on Central America that was suggested by Senator Jackson. Since then I have followed affairs down there with great interest.

I know people like Arturo Cruz, a political leader of the Nicaraguan resistance, very well. He had been in jail under Somoza. I told him goodbye when he left here to return to Nicaragua last year to try to run for President. He left here saying there is no doubt in his mind he would be in jail under the Sandinistas. I shook his hand and he told me, "I don't think I will ever see you again, but I know why I am going. I want to be part of bringing freedom to my people."

So, I think we are dealing with some very loyal representatives of the original revolution. As a matter of fact, he was not only one of the revolutionaries, he was in the junta of the Sandinistas and left when he found it was not what it was purported to be.

I happen to know one of the distinguished bishops who would be on the hierarchy negotiation's team in Nicaragua if the Sandinistas agree to meet their opposition. I have never met a braver man than he. I met Archibishop Miguel Obanudy Bravo in his little hacienda. I know what kind of pressures he is under also. He will not abandon his quest for religious freedom and individual freedom in Nicaragua.

That leads me to my major concern. Frankly, everybody has been saying, let us talk, let us make some agreements, let us have the Nicaraguan Government sit down and talk. The Contadoras countries have been talking about that for years.

I will regret very much if this initiative fails because the Sandinistas find an excuse not to talk. I frankly believe if the $14 million for covert aid was not involved, but the conditions were the ones that are imposed here: That the Contadora and Central America countries be witnesses, and the bishops of Nicaragua, the hierarchy of that Catholic Church, be the principal moderators; that there be a reasonable agenda leading to international reconciliation, Sandinistas would have turned it down anyway. They will find ways to make sure any proposal for reconciliation doesn't work.

So, I regret very much that the $14 million and the Contra issue is going to give Daniel Ortega and his cohorts an opportunity to wiggle out of their promises of 1979.

Frankly, I don't believe the Sandinista Nine are ready to negotiate with anyone under the present conditions. They run that country and it is not the Nicaragua its people hoped for when they started out to have a revolution in 1978. It won't be so long as the Sandinista Nine are in power. It may take us a few years, but we will find that out, I assure you. I think I can predict that sad realization with more certainty than anything else I have predicted since I have been a Senator.

Having said that, I support the notion expressed by the distinguished Senator from Louisiana. Whatever we can do to make sure that the Sandinista Government does not wiggle out of this opportunity provided by the outside contradora countries, the Catholic hierarcy of Nicaragua itself, to sit down and talk while the rebels say, "we won't fight so long as there are some monitors around to monitor the cease fire and negotiation."

I think we ought to keep the heat on the Nicaraguan dictators and find out why they won't negotiate. They now have an excuse. The excuse is the $14 million with a trigger for automatic conversion to lethal arms. I think that trigger, at this point, is the issue here in the Congress.

It may not be for some. As my friend from Louisiana said, there are some who want to wash their hands of this Nicaraguan episode under the cover some kind of international rule of law, but I assure you that the current gang of Sandinistas are not going to follow any international rules of law. That is in the cards. It is set, there is no doubt about it.

On the other hand, some of us seem to want to do that. I submit that is a minority. An overwhelming percentage of the Members of Congress would support putting the heat on Nicaragua to sit down and talk in a meaningful way with arbiters that are perceived by the world to be neutral and fair. We have all of that in place except the one thing that we have given them an excuse about, the $14 million.

You know, it seems to me we have to find a way to solve this. After 60 days how much of the $14 million is going to be left for lethal aid anyway? If it goes on 90 days because the sides appear to be making some headway, or day 120, there won't be any of the $14 million left for lethal aid.

So, I, too, urge you, Mr. Secretary, having already said that, in fact, I am going to vote for the resolution, to modify it, because I think otherwise it will be a disaster in Central America.

I think I have a feel for the consequences from a few people from El Salvador who come to see me. We talk as if everyone in Central America is against this request. Failure to approve it will be perceived by the democratic administration in El Salvador as a total failure in terms of democracy in Central America.

It will be perceived in Costa Rica as a total failure of any chance to rid their borders of aggressors that they are scared to death of.

I just can't understand how Americans run around as if the Sandinistas are these wonderful people when all the bordering countries are scared to death of them. I have talked to them. I didn't only talk to the presidents of those countries. I talked to three or four members of the opposition parties, and they are not afraid of America; they are afraid of the Nicaraguans.

So, Mr. Secretary, I urge you to use everything within your power and to communicate this proposal, and get together with the leadership in the Senate because I think we could fix this. My prediction, however, is you can't fix it enough to get the Sandinistas to really sit down and negotiate an implementation of their original promise of 1979, but the world has to find that out.

Now, it is all muddled up in terms of lethal aid which is rather irrelevant to the issue as I see it because the Sandinista Nine have to be put behind the eight ball before a neutral group and sit down and arbitrate some of these basic issues, such as freedom of opportunity and expression for their country.

Just in closing, since one of the goals here is to have an election, I heard from a rather authoritative source after the last Nicaraguan election. I understand with pretty good authority that some of the opposition parties in that last election pulled out of the election because it was not going to be a free election.

They were amazed to find that there was money spent advertising their campaign.

Mr. MOTLEY. They weren't allowed to pull out is what happened.

Senator DOMENICI. They withdrew because there was not going to be a genuine election. Lo and behold, there was money spent for advertising their campaign on the radio after the party withdrew.

Where did it come from? It was a Sandinista regime convincing the world there was an election if 10 or 15 percent voted for other parties that the Sandinistas weren't going to win.

So, they spent the money to promote the parties that weren't even in the election so they could tell the world they had an election in this country. It is evidence of the basic nature of what they have wrought there for their people under the name of a revolution for freedom.

I have no questions They have all been asked. I will close by saying if I have the opportunity to vote for the resolution, I will make it eminently clear that I don't like the words of the text required by Congress last year because they do seem to me to be broader than necessary for the aid to the Contras.

I have now been convinced that limited aid of $14 million is all that it meant. It is not direct and indirect aid of any kind which would concern me. It will concern Senators on the floor, I assure you because it is very nonexplicit language for a very explicit purpose.

With that caveat, I will vote for it, but I hope we can work something else out.

Thank you, Mr. Chairman.

NEED TO BROADEN RESOLUTION

Senator D'AMATO [presiding]. Let me state that I agree with the Senator from New Mexico and Senator Johnston.

I intend to vote for the resolution. I would hope we could broaden this in some way.

I think there is a great deal of merit in the proposal by Senator Johnston and my colleague from New Mexico in terms of expressing their sentiment and the risk of having this resolution defeated

and having a continuing controversy, a bloody one in Central America, I think far outweighs moving ahead in this manner.

Having said that, I intend to vote for it. I really would hope we can bring back to the administration some avenue by which to deal with the concerns and the trigger in Nicaragua, and to make this an effort to really construe one in a proper manner and not giving the Nicaraguans an opportunity not to move forward.

Senator Inouye.

ARE WE ADVOCATING OVERTHROW OF NICARAGUAN GOVERNMENT?

Senator INOUYE. Thank you very much.

President Reagan in his press conference of February 21, 1985, indicated that the administration support for the activities of the Contras is based on a desire to "remove the structure of the Nicaraguan Government."

Mr. Secretary, I have a series of six questions.

First; is this the same as advocating the overthrow of the Government of Nicaragua?

Second; does the United States maintain full diplomatic relations with Nicaragua?

Third; is the United States Nicaragua's main trading partner?

Fourth; does it strike you as odd that you as a representative of the State Department are here to defend and justify request for funding which may ultimately be used to provide military assistance to paramilitary groups dedicated to the overthrow of the government with which the United States maintains full diplomatic relations and which is dependent on the United States for much of its trade?

Fifth; why has the administration chosen the path of bringing pressure on the Sandinistas through the force of arms rather than a break in diplomatic or trade relations?

Finally; have any of the Central American countries broken trade or diplomatic relations with Nicaragua?

Mr. MOTLEY. If I get them out of order or skip one, I am sure you will remind me, Senator.

First, the President stated on many occasions what the objective of the administration is with regard to Nicaragua.

One; stop supporting revolutions.

Two; get rid of the Soviet-Cuban military advisers.

Three; reduce the imbalance of the military forces in the area.

Four; keep promises on democratization.

The objective of the exercise is modification in behavior, not whether this government or that government. The prime objective, as the President stated many times, is modification of behavior. That is the purpose of the policies of the United States and the things to bring this about.

Senator INOUYE. Did the President misspeak when he used the words "remove the present structure?"

Mr. MOTLEY. I kind of like my job, Senator. I am not going to sit here and say the President misspoke. I am trying to outline what I know he has said on many occasions.

FULL DIPLOMATIC RELATIONS WITH NICARAGUA

As to your second question, Do we have full diplomatic relations with Nicaragua?

I think the answer is, "Yes." There is no one specific definition of "full diplomatic relations." We have an ambassador there, they have an ambassador here. They are fully accredited extraordinary, plenipotentiary. I would consider that as full diplomatic relations per se as far as personnel and communications between the two.

Third; is the United States a major trading partner?

You could ask that question anyplace in Latin America and the answer would be yes. The answer is yes for Nicaragua, yes for Costa Rica, yes for Honduras yes all around the world.

Fourth; do I find it odd that as a representative of the State Department that I am up here pushing for paramilitary aid?

I think while you were gone, Senator, we went through this with Senator Sasser in that the resolution talks about military, paramilitary, direct and indirect. It is a function of what the prohibition says today.

It is a function of the rules under which you will vote on which don't allow you to amend it or the President to put anything else other than that precooked resolution written on October 10 in conference committee between the House and the Senate.

I think that the President's assurances that he has given you in the plans he has laid out, in essence, work as the amendment says. I must admit when I came back from Brazil as U.S. Ambassador and found myself in this job, I found it strange that we were, in essence, starting in fits and starts discussing a covert program overtly.

Yes, I do find that strange, but that is what I am faced with. I think that the merits of what we are trying to do merits getting it done. Even if you have to take a covert program and discuss it overtly, it is worth doing.

DIPLOMATIC AND TRADE RELATIONS WITH NICARAGUA

Why has the administration not broken diplomatic relations and trade? Was that the question?

We have not broken diplomatic relations because I think, as you know from the President's peace program, I think it is useful to keep talking to them. When you have formal dialog like that, you can call their ambassador in, they can call in our ambassador. Because your central purpose is to try to arrive at peaceful political solutions, that is the reason I think it is useful.

As to trade, we have looked at a variety of items about the trade. Their trade with us has decreased dramatically over the years. I think it is still in the neighborhood of $100 million today.

There are ways in which you can invoke emergency powers of the President. The President can declare an emergency situation. We believe he may have the authority to invoke a trade embargo. But our quarrel isn't with the Nicaraguan people who would be the ones that would suffer the most from that.

Our quarrel is with the Sandinistas, the Communists, that threaten their country.

I believe the last question was, should we break diplomatic relations?

I think I answered that with the first one.

Senator INOUYE. Last night I believe all of the network news programs were suggesting that the President was seriously considering Senator Dole's suggestion that a compromise proposal be considered. It was suggested that the President would simply withdraw the request for the $14 million and provide humanitarian assistance through funds already appropriated to the Department of State.

Is such a proposal under active consideration?

Mr. MOTLEY. I think the short answer to your question is that before I read that one in the paper or heard it on the news last night, I was not aware of this. This thing has a bunch of pieces to it. It is how much money, $14 million, whether it is humanitarian, whether it is lethal? Do you go 60 days, do you go 90 days?

The President, on April 4th said, I think this is a reasonable program because I am not getting overwhelming enthusiasm after 210 days' debate on this issue since it was introduced in a continuing resolution.

The frustration, I think, that the President may have felt is that people say, I don't like it. What is it? I don't like it.

Quite candidly, we heard from Senator Proxmire and Senator Johnston something specific saying what they would like, and that is a postive step and I will take that back. The President has an open mind on these issues. He feels very strongly about it along the lines that Senator Domenici talked to earlier.

This is a very serious issue for the security interests of the United States and I will take these back.

As to the specifics of this other one, I can't——

WHO GETS THE $14 MILLION?

Senator INOUYE. Finally, Mr. Secretary, if the Congress approves the $14 million, who gets the money?

Mr. MOTLEY. The proposal put forward, the report that was submitted at the time the resolution was introduced and reported in two different sessions addresses that to a certain degree.

It goes to the democratic forces involved in Nicaragua, mainly, I should say, within the FDN, but I think I would have to go into a more closed session as to where it goes. it is spelled out in the Top Secret Annex.

Senator INOUYE. Are you satisfied that there will be ample accountability?

Mr. MOTLEY. That there will be ample scrutiny, I am satisfied of because I think many Members of Congress are interested in it. I think we will have the scrutiny from that aspect.

We will do everything we can to stick to the letter of the law.

I think also the recipients have to understand the ground rules under which we put it forward. If there is a disregard or a blatant disregard, they run the risk of being cut off. We run through this exercise quite often as you are familiar, Senator.

People say, wait a minute, you are sending money to Honduras and they are secretly funding the Contras. So, we have gone through this kind of thing before.

The recipients are sophisticated enough to know we keep a close eye on it.

Senator INOUYE. Thank you very much.

Senator D'AMATO. Senator Leahy.

Senator LEAHY. Thank you, Mr. Chairman.

OPPOSITION TO CONTRA AID PROPOSAL

Mr. Chairman, we are debating this plan of the President today and I think we should look at not only the statement here, but all the accompanying material that comes up here.

I recall the debate we had at the time on the floor where we had a similar issue. The Senate passed it overwhelmingly. A lot of us said, you really ought to look at what is in there before you do it.

A few days later there was a lot in the press about mining harbors in Nicaragua. There was a stampede of the Senators to run down to the floor the next week to switch their vote back, not all, but a significant majority, and saying, we are going to vote against it, we don't know what is in it.

I put the committee on notice today that in the Intelligence Committee all the material that they may want to look at is there. If anybody is concerned, they had better read it because anybody who votes, whichever way they vote on this, and this material comes out later on or if activities come out, if somebody wants to go on the floor to say we didn't know about this, we didn't know we were voting on it, I don't care which side of the aisle is wrong, the next person on the floor will be me saying, "Yes, you did. It was there. It was available. I think it is a plan that should be taken in its entirety. It is a plan that will lead inevitably to direct U.S. involvement in the United States-Central American war."

I wish the President would withdraw it and go back to the drawing board.

Let us not kid ourselves that 60 days of humanitarian aid is what it is. It is a device to get enough votes to start covert aid to the Contras again, I suppose you could call it a peace proposal.

You call the MX the Peacekeeper. I don't know what the difference is. The thing is that the President can squeeze enough votes out of the Senate to pass it. He can squeeze enough votes out of the House to pass it.

What does that show the Sandinistas and show the rest of Central America? A unified America behind the President's policy?

It shows a sharply divided Congress. That is the thing that worries me instead of working with a group of Republicans and Democrats to put together a plan that might show that we have some agreement.

I just visited Central America. I talked to a lot of people down there. I tell you right now those that the administration considers friend and those they consider foes will be distressed as to what they see is a divided Congress.

Here you are going to see the Congress which is telling the American people that they are voting for a Tonkin Gulf resolution for Central America.

Another issue, of course, is the one you should all look at very, very carefully because it will come back, whichever way you vote on this, that this aid to the Contras is eventually military aid to the Contras.

In fact, it is direct military aid to the Contras because money is fungible.

In response to my request, the Intelligence Committee provided available intelligence hearing on the issue of atrocities committed by either side. They said by their own admission in unclassified letters that was their first compehensive look at the subject.

The intelligence is extremely limited. We do have it in the Intelligence Committee. I would urge everybody to look at it. I am putting a longer unclassified statement in here to that effect.

I might ask in that regard, Mr. Motley, because you assured me on a previous occassion that your Department is conducting a review and so far I have not received any indication, I just got a copy of a couple cables from our ambassador in Honduras who is an excellent ambassador, but they add little to this.

CONTRA ATROCITIES

Is the administration satisfied that the Contras do not permit atrocities on a deliberate basis? Are you satisfied with your own intelligence in this matter?

Mr. MOTLEY. From the information we have, and we are looking for a cable we received a couple days ago that I will be happy to share with you, we feel that the anti-Sandinistas are not conducting, as a matter of policy, any kind of atrocities. In fact, the information indicates the contrary.

Senator LEAHY. Have you monitored this issue during the 2 years that you have been providing aid to the Contras?

Mr. MOTLEY. That issue has been monitored over the period of time.

Senator LEAHY. Adequately, in your estimation?

Mr. MOTLEY. Yes.

Senator LEAHY. Is the CIA wrong in their unclassified letter to us saying this is the first real look as a result of my request on this atrocity issue? Are they dissembling in their response?

Mr. MOTLEY. I don't think they are dissembling.

Senator LEAHY. Neither do I. That is why I ask the question. I don't see how it squares with what you are telling us up here.

Mr. MOTLEY. Senator, as you are well aware because you sit on the Intelligence Committee, if there was a time in which the United States provided money through the Central Intelligence Agency to them, that is an operational aspect that rests with the CIA.

The information that we would receive from diplomatic channels and others, through Honduras and through Nicaragua, lead me to what I told you.

With regard to who gives instructions and not when moneys are provided, we are getting apples and oranges.

Senator LEAHY. I am saying that the State Department in requesting aid down here openly requested, not going into classified material, openly requested aid to the Contras.

Are you satisfied that during the past 2 years wherever they get funds, are you satisfied the Contras have not been involved in atrocities as we would normally use the word?

Mr. MOTLEY. Yes. As you and I would normally use the word, it is not a policy. Is that the way we normally use the word.

Senator LEAHY. I think civilians have been killed in this conflict.

Mr. MOTLEY. Let me read a cable from Teguciagalpa on this issue you asked about, dated 2 days ago. I will read you the summary and then I will submit it for the record.

A recent sampling of the refugees who left Nicaragua in the last few months—understand there is no contact, direct or indirect contact, according to the law with the Sandinistas——

Senator LEAHY. That is not so, Mr. Motley. That is not so.

Mr. MOTLEY. Can I finish reading it?

Senator LEAHY. I don't want the committee to be left with the wrong impression on the record.

Mr. MOTLEY. "A recent sampling of refugees that left Nicaragua in the last few months"——

Senator LEAHY. Nor does the law require there should be no contact, I should add.

Mr. MOTLEY [reading].

Who left Nicaragua in the last few months uniformly rejected current allegations in the U.S. press anti-Sandinistas and insurgent groups were responsible for deaths of noncombatants or atrocities against them. The "MC" officers spoke to three different groups of five to ten refugees and numerous family groups from the UNHCR camps in Vincente. Each group responded spontaneously, there was no sign they had been counseled to give a prepared response.

The rest of the cable is not very long; I will give it to you.

The following is illustrative except where recorded with the understanding the intent will not be compromised.

There was an Eronne who was a deserter from the Nicaraguan Army. There was a Mrs. Gomez, a gray-haired grandmother, who was leading 14 people out. I will leave that for the record.

Senator LEAHY. I would appreciate it.

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Department of State

INCOMING
TELEGRAM

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PAGE 01 TEGUCI 05060 00 OF 02 162215Z 8627 ARA9114
ACTION ARA-00

ACTION OFFICE NO-02
INFO FILE-01 ARA-02 PPC-01 DECP-01 ECP-01 RPP-02 OAS-01
PPA-01 SSE-01 DCEN-01 REG-01 NU-02 /017 A3 YC

INFO LOG-00 COPY-01 ADS-00 INR-10 SS-00 CIAE-00 DODE-00
H-01 IO-15 NSC-01 NSAE-00 HA-08 L-03 PM-10
PA-02 OMB-01 RP-10 USIE-00 SP-02 SR-05 SNP-01
PRS-01 SLPD-01 SPD-02 /076 W
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FM AMEMBASSY TEGUCIGALPA
TO SECSTATE WASHDC PRIORITY 0548
INFO USMISSION GENEVA
AMEMBASSY MANAGUA
USCINCSO QUARRY HEIGHTS PN

UNCLAS TEGUCIGALPA 05060

E.O. 12356: N/A
TAGS: PREL, SNAR, HO, HO, SOCN
SUBJECT: NICARAGUAN REFUGEES REJECT REPORTS OF ATROCITIES BY ANTI-SANDINISTAS

REF: TEGUCIGALPA 4338

1. SUMMARY. A RECENT SAMPLING OF THE REFUGEES WHO LEFT NICARAGUA IN THE LAST FEW MONTHS UNIFORMLY REJECTED CURRENT ALLEGATIONS IN THE U.S. PRESS THAT ANTI-SANDINISTA INSURGENT GROUPS WERE RESPONSIBLE FOR DEATHS OF NON-COMBATANTS OR ATROCITIES AGAINST THEM. EMBASSY OFFICER SPOKE TO THREE DIFFERENT GROUPS OF FIVE-TO-TEN REFUGEES AND NUMEROUS FAMILY GROUPS FROM THE UNHCR CAMPS IN TEUPASENTI AND JACALEAPA. EACH GROUP RESPONDED SPONTANEOUSLY, AND THERE WAS NO SIGN THEY HAD BEEN COUNSELED TO GIVE A PREPARED RESPONSE. END SUMMARY.
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2. DURING FOUR RECENT VISITS TO THE NICARAGUAN LADINO REFUGEE CAMPS IN HONDURAS, REFOFF HAS SOUGHT OUT GROUPS OF NEW REFUGEES TO INQUIRE ABOUT REPORTS OF ANTI-SANDINISTA ATROCITIES. ALL THOSE INTERVIEWED WERE AWARE THAT THEY WERE TALKING TO A U.S. EMBASSY OFFICER. REFOFF ASKED ABOUT REPORTS BLAMING THE ANTI-SANDINISTAS FOR NON-COMBATANT DEATHS IN THE AREAS OF CONFLICT. THE INVARIABLE RESPONSE WAS "THAT IS A LIE." ALL RESPONDED THE SAME WAY WHEN THE QUESTION WAS REPHRASED TO ASK SPECIFICALLY ABOUT ALLEGED FDN ATROCITIES. SEVERAL REFUGEES EXPLAINED TO EMBASSY OFFICER THAT THE SANDINISTAS USE PROPAGANDA LIKE THAT TO TRY TO PROMOTE THEIR POINT OF VIEW.

3. THREE OF THE GROUPS INTERVIEWED WERE COMPOSED OF YOUNG MEN ESCAPING FORCED CONSCRIPTION IN NICARAGUA, BUT EMBASSY OFFICER WAS ALSO ABLE TO SPEAK WITH FAMILIES WHO HAD RECENTLY ARRIVED. THEIR STORIES WERE CONSISTENT WITH THOSE OF THE YOUNG MEN. NONE OF THESE REFUGEES INTERVIEWED HAD ANY DIRECT RELATIONSHIP WITH THE FDN THAT WOULD AFFECT THEIR ASSESSMENTS. MOST OF THE REFUGEES WERE FROM AREAS WHERE THE FDN OPERATES, AND SEVERAL SAID THEY HAD SOUGHT FDN ASSISTANCE IN ESCAPING, BUT NONE ADMITTED TO HAVE HAD ANY ACTUAL DIRECT CONTACT OR AFFILIATION WITH THE FDN.
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4. THE FOLLOWING ARE ILLUSTRATIVE EXCERPTS WHICH WERE RECORDED WITH THE UNDERSTANDING THAT THE IDENTITY OF THE REFUGEES WOULD NOT BE COMPROMISED:

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-- "IVAN" WAS DRAFTED INTO THE NICARAGUAN ARMY AND SERVED FROM NOVEMBER 17, 1983, UNTIL HE DESERTED IN MAY 1984. HE SAID, "IT IS CATEGORICALLY FALSE THAT THE FDN IS KILLING CIVILIANS. WE SOLDIERS SAW THE DESTRUCTION OF THE VILLAGES, OF THE CAMPESINOS, AND NOW IT WAS ORGANIZED BY THE SANDINISTAS. WHEN INTERNATIONAL GROUPS, HUMAN RIGHTS GROUPS, OR OTHERS ARRIVED, THEY WOULD SAY THAT THERE HAD BEEN A BATTLE, AND THE SANDINISTA ARMY (EPS) HAD DEFENDED THE PEOPLE. IN FACT, IT WAS THE EPS THAT HAD DESTROYED VILLAGES, AND THEY WANTED TO HAVE A PSYCHOLOGICAL ADVANTAGE BEFORE THE NATIONS OF THE WORLD." HE SAID WHEN HE WAS WITH THE EPS, HE WAS FIGHTING IN THE MOUNTAINS OF MATAGALPA AND JINOTEGA. IN EARLIER DISCUSSIONS WHICH WERE NOT RECORDED, IVAN POINTED OUT THAT THE EPS USED ARTILLERY WHEN IT WENT INTO BATTLE. THE ARTILLERY CAUSED MOST OF THE CIVILIAN CASUALTIES, HE SAID, AND THE ANTI-SANDINISTA FORCES DID NOT USE IT.

-- MRS. GOMEZ, A GRAY-HAIRED GRANDMOTHER INSISTED THAT THE FDN WAS FULLY RESPECTFUL OF NON-COMBATANTS: "I KNOW THEY BEHAVE THEMSELVES EVERYWHERE. WE DON'T HAVE ANY COMPLAINTS TO MAKE ABOUT THEM." ASKED ABOUT REPORTS THAT THE FDN KILLED CIVILIANS, SHE SAID, "THAT IS A LIE. IF YOU TAKE A LOOK, WHEN THE FDN GOES THROUGH AN AREA... THEY EVEN PURCHASE WHAT THEY NEED. THAT IS A REAL LIE."
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-- "GLADYS" WAS PART OF A GROUP OF 14 PEOPLE WHO HAD LEFT NICARAGUA THREE WEEKS EARLIER. SHE SAID THAT THEY HAD LOOKED FOR THE FDN, BUT HAD BEEN UNABLE TO FIND THEM. ASKED WHY THEY LOCKED, SHE SAID, "SO THAT THEY COULD HELP US GET OUR CAR ACROSS. IT WAS LEFT IN NICARAGUA. WE KNEW THAT THEY WOULD HELP US GET IT ACROSS IF WE FOUND THEM." SHE SAID THAT HER FATHER LEFT THE CAR, AND THE SANDINISTAS CAME HALF AN HOUR LATER AND CONFISCATED IT. THEY SHOULDN'T BE AFRAID OF THE FDN SINCE THERE WERE REPORTS THEY KILLED CIVILIANS, SHE SAID, "THIS IS A BIG LIE. THEY DIDN'T DO ANYTHING TO ANYONE. WHEN THEY PASS BY, THEY DON'T DO ANYTHING. IN COMBAT SOMETIMES IT HAPPENS; BUT STORIES THAT THEY COME BY AND KILL CIVILIANS ARE A LIE. WHEN PEOPLE ARE COOPERATING (WITH THE SANDINISTAS), THEY WON'T LEAVE THEM ALONE, BUT THEY DON'T DO ANYTHING TO THE CAMPESINOS WHO ARE WORKING." ASKED IF THE CAMPESINOS WERE AFRAID OF THE FDN, SHE SAID, "NO, BUT IN REALITY THEY ARE AFRAID OF THE AUTHORITIES."

5. REFOFF PLANS FURTHER REFUGEE INTERVIEWS SHORTLY.
NEGROPONTE

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SUSPECTED ATROCITIES BY CONTRAS

Senator LEAHY. So, your answer is that there is not?

Mr. MOTLEY. That is based on today. We go back to 2 years ago and you said we could not get into who runs who and who does what.

Senator LEAHY. I asked what they do.

Mr. MOTLEY. I am trying to answer the question for you.

To my knowledge and as near as we can determine over a 2-year period, it is not policy for them to commit atrocities of that nature. That there have been civilian casualties, as occur in war, you and I know that happens.

Senator LEAHY. You understand I am not suggesting that anybody in the U.S. Government has directed anybody to get themselves involved in killing of innocent civilians, atrocities, or anything else either before today or any other time.

What I am concerned about, we are being asked openly, on the front page of the paper a statement by the President, you in open session, Secretary of State, and everybody else, openly to give money to a group collectively referred to as the Contras.

Now, in giving that, I think it is a legitimate question for the Congress and the American people to ask, have these people during the past several years been involved in the killing of innocent civilians, not necessarily in combat, I am not talking about shells flying in a combat area and suddenly killing somebody.

I mean intentionally seeking out and killing innocent noncombatant civilians.

Mr. MOTLEY. I agree that is the general question.

Senator LEAHY. I have asked that question. I have not been impressed by the amount of material that has come back. I have been more concerned about the paucity of material.

If we are going to be supporting these people, might we not know more about them?

There is nothing in the law that says in the Bolling amendment that we cannot have contact with them and that we cannot get information from them. So, don't suggest that somehow we have been insulated.

Mr. MOTLEY. I understand your frustration. Under the circumstances under which we operate I am satisfied.

In El Salvador we had the same concern; you shared it also. What you have there is a government that will cooperate with us, where we can go into the areas in which there is conflict in the country, we can interview the people.

Now try that in a Communist-dominated Nicaragua. You are asking me to look into allegations of Contra atrocities when Embassy officials cannot go in there without the sufferance of a government that does not want to cooperate with them, which spends its time putting out one side of the story.

I share your frustration.

INTERVIEWS BY FBI

Senator LEAHY. I read in the paper that the FBI under this Government has interviewed at least 100 people who have been down

there. What is going on? Did they ask them anything about this question?

Mr. MOTLEY. I don't know. I just read that in the paper, too.

Senator LEAHY. Don't say we have no way of getting this.

Mr. MOTLEY. There are a variety of ways. There was a report published a while back on allegations.

Senator LEAHY. Which showed atrocities on both sides.

Mr. MOTLEY. That is correct. There was another fellow up here by the name of Biani Hildalgo, head of budget and finance of one of the human rights groups in Nicaragua until January 15, 1985, that is very revealing on how one of those human rights reports was assisted including U.S. lawyers and some U.S. citizens, in putting it together.

I would like to submit that for the record.

Initially, the impression was given they did not receive any compensation. The man in charge of budget and finance here says they have received transportation, lodging and all the rest.

I would like to submit it to you because you are interested in this. Hopefully, it will try to remove some of the doubt.

Mr. Chairman, I would like to submit that.

Senator MCCLURE. It will be made part of the record.

STATEMENT TO THE PUBLIC

My name is Bayardo de Jesús PAYAN Hidalgo, a citizen of Managua, Nicaragua, and former official of the Sandinista government. I left my country January 24, 1985 for the following reasons: The principal reason for my decision is the political, social and economic system which the nine Sandinista commanders installed. The people of Nicaragua have to do whatever they are ordered by the Sandinista government through their political organizations such as the SANDINISTA DEFENSE COMMITTEES, THE SANDINISTA WORKERS CENTRAL, JULY 19 SANDINISTA YOUTH, etc. This is because they fear the aggressive policies of the government.

CASES IN WHICH THE PEOPLE MUST WORK AGAINST THEIR WILL.

In all the cities, neighborhoods and districts the people must stand guard over all events in the area; therefore, the average citizen does not feel free to act as he wishes even in his own home, because he is always under the vigilance of the SANDINISTA DEFENSE COMMITTTEES. The same goes for jobs, schools, universities, etc. Each citizen is also forced to perform voluntary labor (RED AND BLACK) at work, in the city, in the countryside, schools, etc. They must also attend political meetings, FSLN demonstrations, etc.

The consecuencias of abstaining from these activities are the following: The citizens are branded as reactionaries and counter-revolutionaries; they are fired; they delay their ration cards for obtaining basic goods; they are victims of insults and humiliations carried out by the organizations. Then the people have no other choice but to toe the line; because it is said that in revolutionary Nicaragua you have to be revolutionaries or it will appear that you are supporting yankee imperialism.

Another of the reasons for leaving is that the internationalists are treated far better than Nicaraguans. They lack nothing; most are given good homes, vehicles, authority, that is, everything that Nicaraguans cannot obtain. Another reason is that there is always a shortage of basic goods such as food, medicine, public transport, spare parts and even water. Also, the persecution to which are

subjected young men for Patriotic Military Service--they are pursued in movie theaters, schools, bus stops, in their homes... at any time of day or night. The worst thing is that young boys are taken away constantly who are below the lawful age for military service; that is, they conscript any boy big enough to hold a rifle. There are also constant violations of human rights. It is worthwhile to point out that all the political leaders of these organizations are paid by the Sandinista government to carry out these activities.

NARRATION REGARDING THE OPERATIONS OF MY LAST EMPLOYER

In 1980 the Sandinista government founded the NATIONAL COMMISSION FOR THE PROMOTION AND PROTECTION OF HUMAN RIGHTS as an entity of the central government. The primary reasons for the creation of this institution were to give the impression abroad that human rights are respected. But in reality, it was created to discredit the Permanent Commission for Human Rights, in order to make propaganda for the Sandinista government both at hom and abroad, since the only accusations taken to the official commission are those which favor the FSLN. This occurs because the people know that it is a Sandinista organization and they are afraid to present charges against the government because of future consequences. Therefore, if the people should dare to file a complaint, they do it at the Permanent Human Rights Commission.

The propaganda carried out by the official Commission is in the form of apparent appeals for the government to pardon about forty political prisoners each year. When the pardons are granted, all means of communication are used to announce that it was the CNPPDH which secured the pardons. In reality, however, it is the Council of State which beforehand reports to the CNPPDH who they are going to pardon.

The National Commission for the Promotion and Protection of Human Rights has a lawyer who conducts the investigations of cases of human rights abuses. This man is named RENE LOPEZ MARTINEZ, and he is the Secretary General of the Sandinista Union. He is a MEXICAN national, and he is more sandinista than Sandino. He is best knov for applying pressure to workers so that they carry out

the tasks of the Revolution. The question arises, then, WHAT GOOD REPORT AND INVESTIGATION CAN THIS INTERNATIONALIST COMPLETE?

There is also another important office in the CNPPDH, name the SOCIAL affairs office. It is devoted primarily to receiving foreign delegations, holding press conferences about the human rights situation in Nicaragua for Nicaraguan and international journalists, and maintaining communication with the national penal system.

This office is under the direction of the North American, Sister MARY HARTMAN. She enjoys privileges such as the gift of a new diesel automobile, free gas, and other thins. She also enjoys the goodwill and confidence of Commander TOMAS BORGE MARTINEZ, and is a very good Sandinista. So good, in fact, that she told me that the nuns at the MARIA MAZARELLO School were reactionaries because they criticized the government. So I wonder, COULD THIS WOMAN STATE ANYTHING THAT IS NOT PARTISAN?

Since she is in charge of attending to foreign delegations, in September 1984 she welcomed the reporters and lawyers REED BRODY and JIM BORDELON. These gentlemen said that they would be at the CNPPDH to complete a book about human rights in Nicaragua. In fact, I was struck by the kindness extended to them by officials. From September to January they were coordinated by Sister Mary and other officials of the CNPPDH in conducting their work. They were provided with transportation, food and lodging from the very beginning. Mr. BRODY was characterized by his fondness for the FSLN, for he made it known that he was a friend of Commander DANIEL ORTEGA SAAVEDRA, showing a picture of him hugging the Commander. He urged people to vote for the FSLN, and he expressed himself as strongly opposed to North American policy, speaking ill of President Ronald Reagan, etc.

Later I realized what the book they were preparing was all about. Then my conclusions were that these men were completing a propaganda document for the FSLN, since they did not even see fit to visit the CPDH which is independent and to which the people can present their complaints without any fear.

I can certify to the foregoing references to the NATIONAL COMMISSION FOR THE PROMOTION AND PROTECTION OF HUMAN RIGHTS because I was an official of that institution, having served as head of the office of Budget and Finance until January 15, 1985.

Bayardo de Jesús Payan Hidalgo

REPORT ON ATROCITIES

Senator LEAHY. If you will look back at my questions, I asked the State Department and the intelligence community to list everything they knew of atrocities by any group, Sandinistas, Contras or anybody else in Nicaragua.

Mr. Chairman, as I said earlier, I would hope that every member of the committee would read that report and all other reporting on this so that whichever way it may go, I am not going to lobby any Senators on how they vote, they will vote any way they vote—I will love them dearly no matter how they vote because they are all my distinguished colleagues.

I just hope that nobody gets themselves in a position where they come back and say, "Is that what we voted for?" This time I want them to know what that is that they vote for.

I know, Ambassador Motley, with your own sense of fairness you will want them to know that is what they voted for.

Thank you, Mr. Chairman.

Also, if I may put some material in the record?

Senator MCCLURE. Without objection, it is so ordered.

[The prepared statement by Senator Leahy follows:]

PREPARED STATEMENT OF HON. PATRICK J. LEAHY

U.S. SENATOR FROM VERMONT

MR. CHAIRMAN, APPROPRIATIONS COMMITTEE IS TODAY DEBATING PRESIDENT REAGAN'S PLAN FOR CONTINUING MILITARY PRESSURE ON THE SANDINISTA GOVERNMENT. IT IS A PLAN WHICH I BELIEVE WILL LEAD INEVITABLY TO DIRECT U.S. MILITARY INVOLVEMENT IN A CENTRAL AMERICAN WAR.

I APPEAL TO PRESIDENT REAGAN TO WITHDRAW HIS REQUEST FOR RESUMPTION OF COVERT MILITARY ASSISTANCE TO THE CONTRAS. LET'S NOT KID OURSELVES OR THE AMERICAN PEOPLE ABOUT THIS IDEA OF "HUMANITARIAN" AID FOR SIXTY DAYS. THE PRESIDENT'S PROPOSAL IS A TRANSPARENT DEVICE TO GET ENOUGH VOTES TO START UP COVERT AID TO THE CONTRAS AGAIN.

CALLING THIS A "PEACE PROPOSAL" IS LIKE CALLING THE MX "PEACEKEEPER." IT IS NOT GOING TO RESULT IN NEGOTIATIONS OR PEACE, BUT IN A MARCH LARGER INSURGENCY, MORE KILLING, AND GREATER PRESSURE FOR EVENTUAL AMERICAN MILITARY INTERVENTION.

IF THE PRESIDENT WILL SUSPEND HIS REQUEST, THERE COULD BE A CHANCE ... MAYBE THE LAST CHANCE ... FOR HIM TO WORK WITH CONGRESS TO FORGE A BIPARTISAN POLICY WHICH COULD RECEIVE BROAD SUPPORT. THERE CERTAINLY HAS BEEN NO CONSULTATION ON THIS PROPOSAL. IF HE INSISTS ON A VOTE, HE MAY NARROWLY WIN IN THE SENATE.

IF HE USES ENOUGH CHIPS, PERHAPS HE MIGHT EVEN WIN IN THE HOUSE, THOUGH I DOUBT IT.

BUT, WIN OR LOSE, A GOLDEN OPPORTUNITY TO BUILD A BIPARTISAN FOREIGN POLICY FOR THE REGION WILL HAVE BEEN LOST. THIS IS A TRAGEDY. THE ADMINISTRATION CONTINUES TO CONFUSE OPPOSITION TO COVERT AID TO THE CONTRAS WITH SUPPORT FOR THE SANDINISTAS.

THAT IS WRONG. I JUST VISITED CENTRAL AMERICA. I SPOKE TO PRESIDENT ORTEGA, THE FOREIGN MINISTER OF HONDURAS, AND MANY OTHERS. IT IS CLEAR THERE IS GREAT CONCERN ABOUT THE SANDINISTAS AS A REGIONAL SECURITY THREAT. IT IS AN INCREASINGLY REPRESSIVE GOVERNMENT, WHICH IS DESTROYING HOPES FOR DEMOCRACY IN NICARAGUA.

I AM WILLING TO SIT DOWN WITH THE ADMINISTRATION AND SEE IF AN EFFECTIVE POLICY CAN BE DEVELOPED. WE MUST HAVE A MIX OF DIPLOMATIC, ECONOMIC, POLITICAL AND OTHER LEVERAGE TO REDUCE THE LEVEL OF TENSION AND PROVIDE INCENTIVES TO THE SANDINISTAS TO MODERATE THEIR BEHAVIOR. I BELIEVE SUCH A POLICY IS POSSIBLE.

WHEN SENATORS VOTE ON THE PRESIDENT'S REQUEST IN THIS COMMITTEE TODAY AND LATER ON THE FLOOR, THEY MUST DO IT WITH THEIR EYES OPEN. EVERYONE SHOULD READ PRESIDENT REAGAN'S CLASSIFIED REPORT SO THEY FULLY UNDERSTAND WHAT IS AT STAKE. IT IS NOT AN ISSUE OF $14 MILLION FOR "HUMANITARIAN" AID. THIS IS A VOTE ON WHETHER THE DOOR WILL BE OPENED AGAIN FOR AMERICAN FINANCING OF THE CONTRAS.

IT IS A DOWNPAYMENT ON AMERICAN INTERVENTION WHEN IT FINALLY BECOMES CLEAR THE CONTRAS ALONE CANNOT OVERTHROW THE SANDINISTA REGIME.

LET ME SAY IT AS CLEARLY AS I CAN! THIS IS A TONKIN GULF RESOLUTION FOR CENTRAL AMERICA. IT OPENS THE WAY FOR MASSIVE U.S. ENGAGEMENT IN A SPREADING AND BLOODY INSURGENCY.

HUMAN RIGHTS VIOLATIONS

IN NICARAGUA

In response to my request, the Intelligence Community provided available intelligence bearing on the issue of atrocities committed by either side in the Nicaraguan conflict. Incredibly, by their own admission, the Intelligence Community had not conducted a full-scale review of this issue prior to the request from the Intelligence Committee. John McMahon, Deputy Director of the CIA, stated in an unclassified letter covering the intelligence, that this was their first "comprehensive look at this subject."

The intelligence provided me is extremely limited. Using it alone, specific allegations of atrocities committed by either side cannot be confirmed or denied.

Of course, I cannot discuss the specifics of the intelligence here. My staff on the Intelligence Committee have prepared a review of the information and it is available to any member of the Senate. I urge all members to review that material before they vote on renewing aid to the Contras.

On the basis of the intelligence, I can say that both sides have committed abuses against each other and against the civilian population.

The Sandinistas have repressed the Moskito indian population. They have committed individual acts of brutality and political prisoners are mistreated. The conscription law is causing serious internal resistance, and leading to repressive actions by the Sandinistas.

The Contras attack many economic and social "targets" where civilians are present. They sometimes attack civil officials or other civilians, and subsequently kidnap, torture or kill them. Individual Contras or certain groups of them are also probably guilty of committing numerous abuses and atrocities against completely innocent civilians.

It is not enough for the Administration to say the Sandinistas are also guilty of abuses, or that reports of Contra atrocities are exaggerated. There is little we can do about Sandinista

behavior, but we have, or should have, significant influence with the Contras. What they do affects US policy in the whole region, as well as the US image as a force for justice and morality.

As Vice Chairman of the Intelligence Committee, I will press the Intelligence Community to provide better intelligence information on the question of atrocities, especially if the aid to the contras is to be resumed.

CONCLUSION OF HEARING

Senator MCCLURE. I think all members of the subcommittee realize that the vote is scheduled in the full committee and there will not be a separate vote in the subcommittee. That full committee meeting is scheduled for 3:30 this afternoon.

The subcommittee will stand in recess until Monday, April 22, when we will hear testimony from outside witnesses on the strategic defense initiative.

[Whereupon, at 12:45 p.m., Thursday, April 18, the hearing was concluded and the subcommittee was recessed to reconvene on Monday, April 22, 1985.]

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